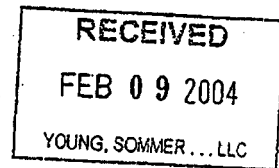


# EXHIBIT A





One Cambridge Place 50 Hampshire Street  
Cambridge Massachusetts 02139  
tel: 617 452-6000  
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February 6, 2004

Mr. John Holbrook  
Business Development  
Alstom Power, Inc.  
Environmental control Systems  
1409 Centerpoint Blvd.  
Knoxville, TN 37932-1962

Subject: Alstom's Proposed SCR System for St. Lawrence Cement

Dear Mr. Holbrook:

As I explained in our telephone conversation, CDM is an environmental consulting firm providing environmental assessments of St. Lawrence Cement's proposed cement plant in Greenport, NY. One of our assignments is to assess whether or not the air pollution control (APC) systems for the proposed cement plant meet present day APC laws and regulations. Since the project is located in the Northeast Ozone Transport Region, nitrogen oxide (NOx) and volatile organic compounds (VOCs) are subject to Lowest Achievable Emission Rate (LAER) control technology. Therefore, we are most interested in the feasibility of applying selective catalytic reduction (SCR) control to the proposed cement plant.

We have reviewed St. Lawrence's SCR Bid Specification, Alstom's SCR proposal dated 9/19/03, St. Lawrence's letter of 10/14/03 and Alstom's response letter of 10/20/03. There seems to be some misunderstanding of St. Lawrence's interpretation of Alstom's 10/20/03 response. Also there is some question as to the practicality and reasonableness of some of the performance standards which St. Lawrence Cement has required in their Bid Specification. Therefore, to clarify Alstom's offer to supply an SCR system for the proposed cement plant in Greenport, could you please answer the following questions.

1. Can Alstom guarantee that their proposed SCR system for St. Lawrence Cement will meet the following performance guarantees as stated in the attached Appendix? Note that we have changed the performance standards in the original Bid Specification to reflect what is typically provided in a performance guarantee by an SCR system supplier. If there are any performance guarantees which you would have to take exception to, please indicate these. Assume that the Application Description/Design Basis as stated in Section 2.0 of the Bid Specification are unchanged.



Mr. John Holbrook

February 6, 2004

Page 2

- 2 One of the problems with applying SCR to this project is the temperature of the preheater tower exhaust gas, minimum of 300°C (572° F), which is slightly lower than the desired minimum inlet temperature of 315°C (600° F) to 325°C (617° F). One of the possible solutions to this problem is to install a bypass duct around the last preheater cyclone. See attached Figure 1 showing kiln, preheater cyclones, proposed cyclone bypass duct and nominal design temperatures through the process. Assuming that the preheater tower exhaust temperature from the last preheater tower is at the minimum 572° F and its temperature needs to be raised to 617° F, only 5% of the 932° F gas stream going into the last cyclone would have to be bypassed to achieve the desired 617° F going into the SCR system. Note that similar types of economizer bypasses are commonly used on utility boiler SCR systems. Does this sound like a reasonable way to address the temperature problem? Do you see any technical flaws in it? Assuming such a cyclone bypass duct could be installed on the proposed cement plant, could Alstom agree to providing the performance guarantees stated above?
3. Lastly, we are most interested in hearing about the SCR testing being done by Italcementi (Broni and Caluso plants). Do you or your catalyst supplier have any data from this project which you can share with us. We would like to know about: sulfur and SO<sub>2</sub> concentrations in the limestone and preheater exhaust gas, concentrations of alkalis (Na, K) and other detrimental elements (arsenic, lead, phosphorus) in the raw feed and the preheater exhaust gas, SO<sub>2</sub> oxidation levels, any formation of CaSO<sub>4</sub>, any plugging or fouling problems, NO<sub>x</sub> reduction, NH<sub>3</sub> slip levels, fuel used, type of catalyst, temperatures at inlet and outlet of SCR system, type of soot blowers and frequency used, dust loading to the SCR system and composition of the dust.

We greatly appreciate your assistance on this important project. If you have any questions or concerns, please do not hesitate to call me at 617-452-6239. If you could respond to us by February 20, 2004 that would be most appreciated. Thank you.

Very truly yours,

Frank Sapienza  
Principle Engineer  
Camp Dresser & McKee Inc.



Mr. John Holbrook  
February 6, 2004  
Page 3

## APPENDIX

### Performance Guarantees for SCR System

#### 1. NO<sub>x</sub> Reduction Efficiency

The SCR system shall achieve a minimum of 85% NO<sub>x</sub> reduction efficiency when the proposed cement manufacturing plant (specifically the kiln, precalciner and preheater) is operating at stable, continuous conditions. Stable continuous conditions are defined as operation of the plant such that the preheater tower exit gas flow rate, temperature and composition are as defined below (i.e. between the following minimum and maximum values):

	Minimum	Maximum
Flow rate in actual m <sup>3</sup> /hr	600,000	950,000
Temperature in degrees C.	300.	400.

All other preheater tower exit gas characteristics and composition shall be between the limits indicated in Table 2-2 and 2-3 (as reissued on 9/5/04) and Table 2-4 of the Greenport Project SCR Bid Specification. The above NO<sub>x</sub> reduction efficiency shall be maintained for the life of the catalyst. The life of the catalyst is defined in Item 6 below.

#### 2. NH<sub>3</sub> Slip

The NH<sub>3</sub> slip from the SCR reactor shall not exceed 2 ppmvd at 3% oxygen when the cement manufacturing plant is operating at stable, continuous conditions. The ammonia slip emission limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 3. SO<sub>2</sub> Oxidation

The fraction of SO<sub>2</sub> that is oxidized to form SO<sub>3</sub> in the SCR reactor shall not exceed 1.0 mole % while the cement manufacturing plant is operating at stable, continuous conditions. The SO<sub>2</sub> oxidation limit must be maintained for the life of the catalyst which is defined in Item 6 below.



Mr. John Holbrook  
February 6, 2004  
Page 4

#### 4. Gas-Side Pressure Loss Requirements

The flange-to-flange gas side pressure loss across the SCR system shall not exceed 6 inches water column when the cement manufacturing plant is operating at stable, continuous conditions. The gas side pressure loss must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 5. Turndown Requirements

The SCR system must be capable of maintaining all performance requirements listed in this Appendix when the preheater tower exit gas has a flow, temperature and characteristics within the ranges defined in Item 1 above.

#### 6. Catalyst Life

The average catalyst life shall be a minimum of 24,000 hours of operating time. Operating time includes only that time during which  $\text{NH}_3$  is injected into the preheater tower exhaust gas upstream of the SCR reactor. Average catalyst life refers to the average length of time catalyst is installed in the reactor before it is removed and replaced.

#### 7. SCR Availability Requirement

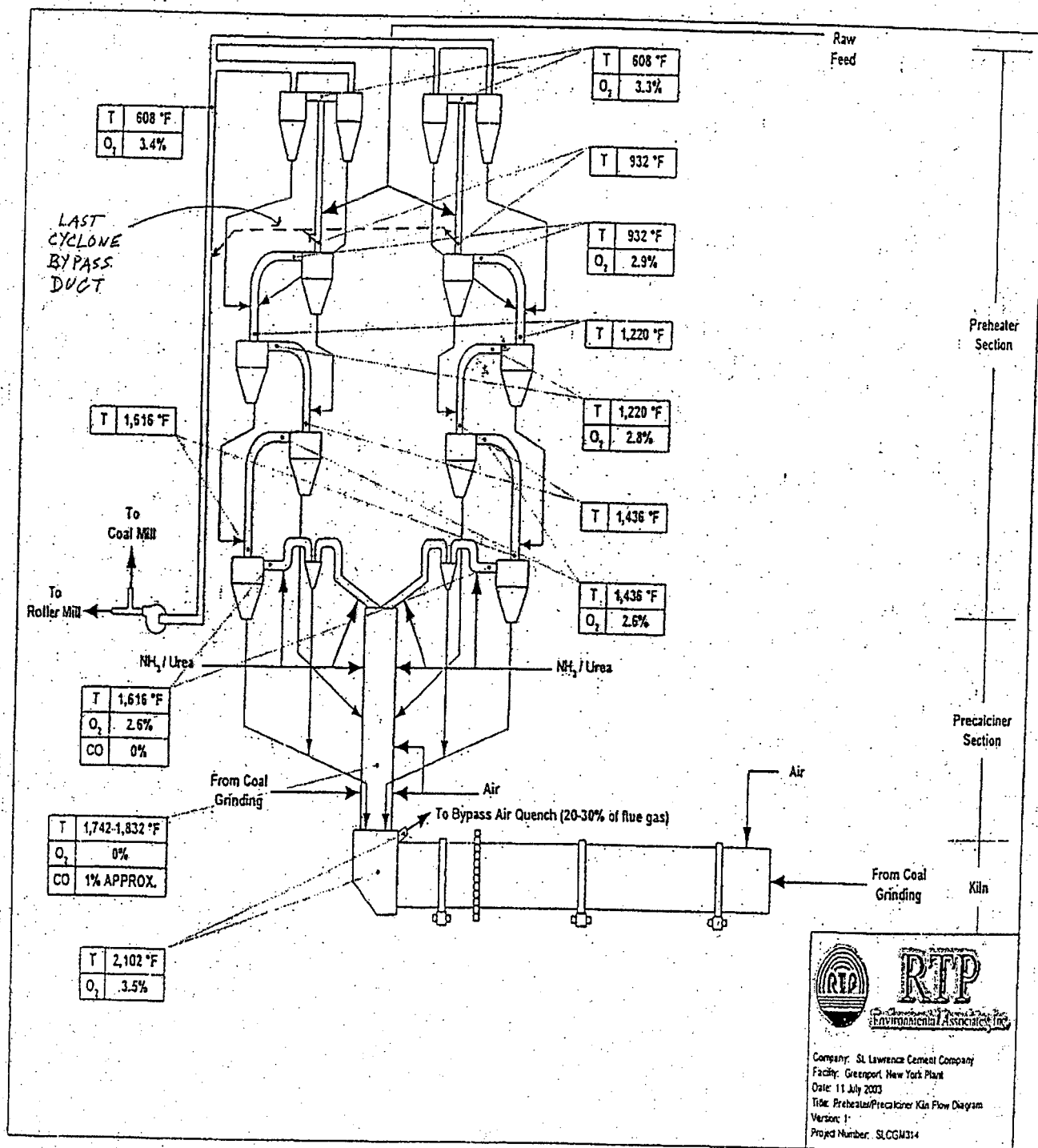
The SCR system shall be available at least 98% of the time that the cement manufacturing plant is operated at stable, continuous conditions, and also provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the SCR supplier's Operations and Maintenance Manuals.

#### 8. Failure to Meet Performance Guarantees

If the SCR system fails to meet the  $\text{NO}_x$  reduction efficiency (85%) as stated in Item 1 or the  $\text{NH}_3$  slip limit stated in Item 2, then the SCR system supplier shall correct the failure by repair, modification or replacement of the SCR equipment, whole or in part. If, after a reasonable period in which the SCR supplier attempts to correct the deficiencies, the SCR system still fails to meet the above  $\text{NO}_x$  reduction and  $\text{NH}_3$  slip guarantees, then the SCR supplier shall pay the Purchaser liquidated damages. The amount of liquidated damages shall be determined by the supplier and Purchaser and shall be based on the cost to the Purchaser of excess  $\text{NO}_x$  emissions released to the atmosphere.

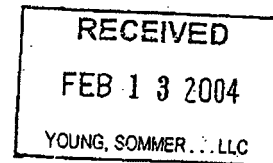
Test method procedures for determining  $\text{NO}_x$ ,  $\text{NH}_3$ ,  $\text{SO}_2$  and  $\text{SO}_3$  concentrations shall be as stated in the Greenport Project SCR Bid Specification.

Figure 1  
Schematic of Greenport Preheater/Precalciner Section Showing Nominal Temperatures





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February 11, 2004

Mr. Thomas W. Lugar  
Chief Executive Officer  
KWH Catalysts, Inc.  
435 Devon Park Drive  
400 Building  
Wayne, PA 19087

Subject: SCR System for St. Lawrence Cement

Dear Mr. Lugar:

As I explained in our telephone conversations, CDM is an environmental consulting firm providing environmental assessments of St. Lawrence Cement's proposed cement plant in Greenport, NY. One of our assignments is to assess whether or not the air pollution control (APC) systems for the proposed cement plant meet present day APC laws and regulations. Since the project is located in the Northeast Ozone Transport Region, nitrogen oxide (NOx) and volatile organic compounds (VOCs) are subject to Lowest Achievable Emission Rate (LAER) control technology. Therefore, we are most interested in the feasibility of applying selective catalytic reduction (SCR) control to the proposed cement plant.

We have reviewed St. Lawrence's SCR Bid Specification, KWH's SCR proposal dated 9/19/03, St. Lawrence's letter of 9/30/03 and KWH's response letter of 10/3/03. We believe there is some question as to the practicality and reasonableness of some of the performance standards which St. Lawrence Cement has required in their Bid Specification. Therefore, to clarify KWH's offer to supply an SCR system for the proposed cement plant in Greenport, could you please answer the following questions.

1. Can KWH Catalysts guarantee that your proposed SCR system for St. Lawrence Cement will meet the performance guarantees as stated in Appendix 1? Note that we have changed the performance standards in the original Bid Specification to reflect what is typically provided in a performance guarantee by an SCR system supplier. If there are any performance guarantees which you would have to take exception to, please indicate these. Assume that the Application Description/Design Basis as stated in Section 2.0 of the Bid Specification are unchanged. These data are included in attached Appendix 2.





Mr. Thomas W. Lugar

February 11, 2004

Page 2

2. One of the problems with applying SCR to this project is the temperature of the preheater tower exhaust gas, minimum of 300°C (572° F), which is slightly lower than the desired minimum inlet temperature of 315°C (600° F) to 325°C (617° F). One of the possible solutions to this problem is to install a bypass duct around the last preheater cyclone. See attached Figure 1 showing kiln, preheater cyclones, proposed cyclone bypass duct and nominal design temperatures through the process. Assuming that the preheater tower exhaust temperature from the last preheater tower is at the minimum 572° F and its temperature needs to be raised to 617° F, only 5% of the 932° F gas stream going into the last cyclone would have to be bypassed to achieve the desired 617° F going into the SCR system. Note that similar types of economizer bypasses are commonly used on utility boiler SCR systems. Does this sound like a reasonable way to address the temperature problem? Do you see any technical flaws in it? Assuming such a cyclone bypass duct could be installed on the proposed cement plant, could KWH Catalysts agree to providing the performance guarantees stated above?
3. Lastly, we are most interested in hearing about the SCR testing and experience at other plants, particularly the Solnhofen plant. Is there any recent data from this plant which you can share with us. We would like to know about: sulfur and SO<sub>2</sub> concentrations in the limestone and preheater exhaust gas, concentrations of alkalis (Na, K) and other detrimental elements (arsenic, lead, phosphorus) in the raw feed and the preheater exhaust gas, SO<sub>2</sub> oxidation levels, any formation of CaSO<sub>4</sub>, any plugging or fouling problems, NO<sub>2</sub> reduction, NH<sub>3</sub> slip levels, type of catalyst, temperatures at inlet and outlet of SCR system, type of soot blowers and frequency used, dust loading to the SCR system and composition of the dust.

We greatly appreciate your assistance on this important project. If you have any questions or concerns, please do not hesitate to call me at 617-452-6239. If you could respond to us by February 25, 2004 that would be most appreciated. Thank you.

Very truly yours,

Frank Sapienza  
Principle Engineer  
Camp Dresser & McKee Inc.



Mr. Thomas W. Lúgar  
February 11, 2004  
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## APPENDIX 1

### Performance Guarantees for SCR System

#### 1. NO<sub>x</sub> Reduction Efficiency

The SCR system shall achieve a minimum of 85% NO<sub>x</sub> reduction efficiency when the proposed cement manufacturing plant (specifically the kiln, precalciner and preheater) is operating at stable, continuous conditions. Stable continuous conditions are defined as operation of the plant such that the preheater tower exit gas flow rate, temperature and composition are as defined below (i.e. between the following minimum and maximum values):

	Minimum	Maximum
Flow rate in actual m <sup>3</sup> /hr	600,000	950,000
Temperature in degrees C.	300.	400.

All other preheater tower exit gas characteristics and composition shall be between the limits indicated in Table 2-2 and 2-3 (as reissued on 9/5/04) and Table 2-4 of the Greenport Project SCR Bid Specification. These tables are included in Appendix 2. The above NO<sub>x</sub> reduction efficiency shall be maintained for the life of the catalyst. The life of the catalyst is defined in Item 6 below.

#### 2. NH<sub>3</sub> Slip

The NH<sub>3</sub> slip from the SCR reactor shall not exceed 2 ppmvd at 3% oxygen when the cement manufacturing plant is operating at stable, continuous conditions. The ammonia slip emission limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 3. SO<sub>2</sub> Oxidation

The fraction of SO<sub>2</sub> that is oxidized to form SO<sub>3</sub> in the SCR reactor shall not exceed 1.0 mole % while the cement manufacturing plant is operating at stable, continuous conditions. The SO<sub>2</sub> oxidation limit must be maintained for the life of the catalyst which is defined in Item 6 below.



Mr. Thomas W. Lugar

February 11, 2004

Page 4

#### 4. Gas-Side Pressure Loss Requirements

The flange-to-flange gas side pressure loss across the SCR system shall not exceed 6 inches water column when the cement manufacturing plant is operating at stable, continuous conditions. The gas side pressure loss must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 5. Turndown Requirements

The SCR system must be capable of maintaining all performance requirements listed in this Appendix when the preheater tower exit gas has a flow, temperature and characteristics within the ranges defined in Item 1 above.

#### 6. Catalyst Life

The average catalyst life shall be a minimum of 24,000 hours of operating time. Operating time includes only that time during which  $\text{NH}_3$  is injected into the preheater tower exhaust gas upstream of the SCR reactor. Average catalyst life refers to the average length of time catalyst is installed in the reactor before it is removed and replaced.

#### 7. SCR Availability Requirement

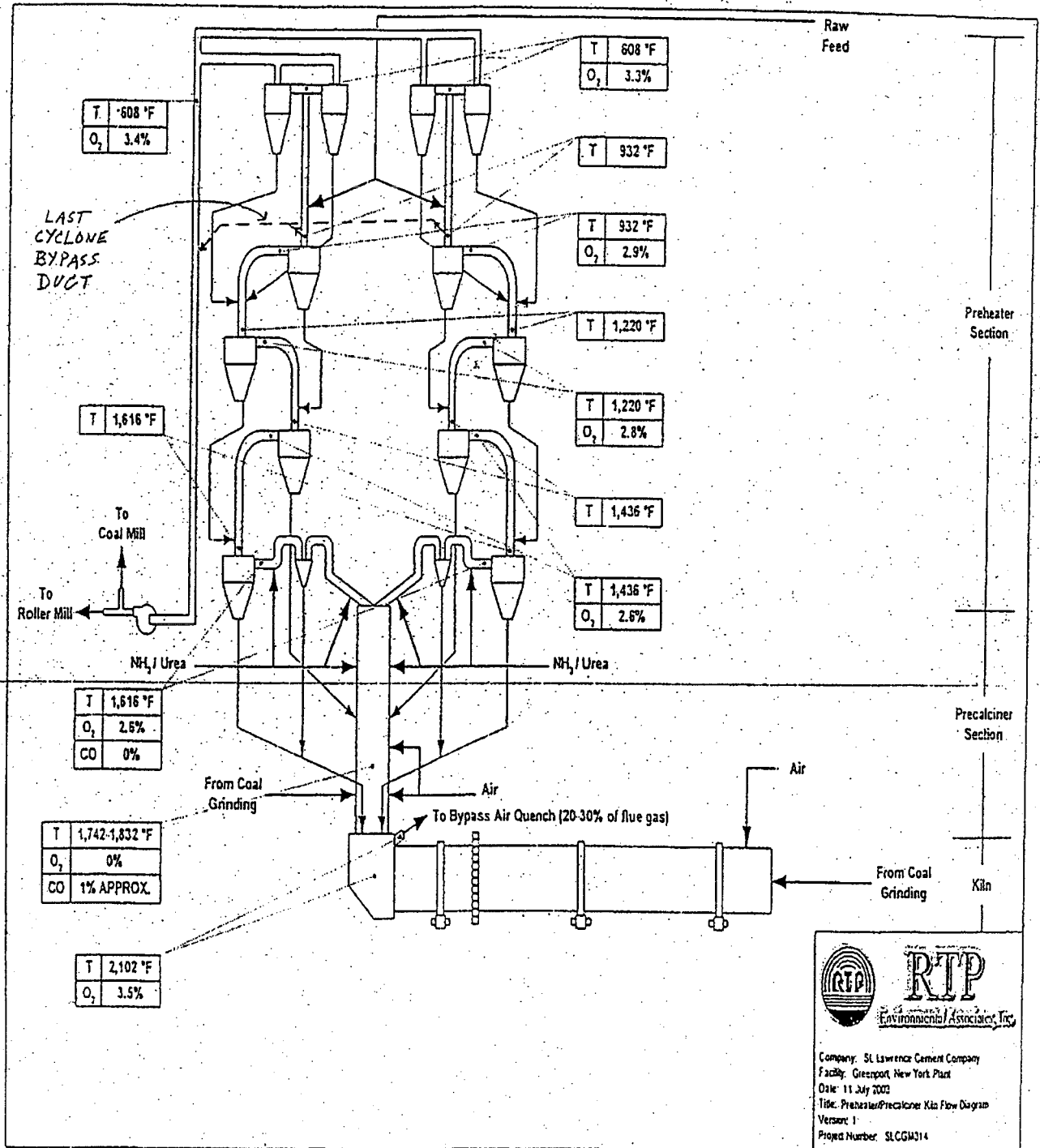
The SCR system shall be available at least 98% of the time that the cement manufacturing plant is operated at stable, continuous conditions, and also provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the SCR supplier's Operations and Maintenance Manuals.

#### 8. Failure to Meet Performance Guarantees

If the SCR system fails to meet the  $\text{NO}_x$  reduction efficiency (85%) as stated in Item 1 or the  $\text{NH}_3$  slip limit stated in Item 2, then the SCR system supplier shall correct the failure by repair, modification or replacement of the SCR equipment, whole or in part. If, after a reasonable period in which the SCR supplier attempts to correct the deficiencies, the SCR system still fails to meet the above  $\text{NO}_x$  reduction and  $\text{NH}_3$  slip guarantees, then the SCR supplier shall pay the Purchaser liquidated damages. The amount of liquidated damages shall be determined by the supplier and Purchaser and shall be based on the cost to the Purchaser of excess  $\text{NO}_x$  emissions released to the atmosphere.

Test method procedures for determining  $\text{NO}_x$ ,  $\text{NH}_3$ ,  $\text{SO}_2$  and  $\text{SO}_3$  concentrations shall be as stated in the Greenport Project SCR Bid Specification.

Figure 1  
Schematic of Greenport Preheater/Precaliner Section Showing Nominal Temperatures



APPENDIX 2  
CEMENT MANUFACTURING PLANT - PROCESS DATA

**Fuel Type and Composition**

The kiln pyroprocessing system will be fired primarily with coal but up to 20 % of total fuel may be chemical petroleum coke. No. 2 oil and natural gas will be used for kiln startup. On average, the split of fuel delivered to the pyroprocessing area would be 60% to the precalciner and 40 % to the kiln. Some minor variations of the fuel allocation between these two locations will occur to adjust for variations in raw mix and fuel quality. The typical fuel firing rate is estimated to be about 800 MMBtu/hr. Table 2-1 lists some properties of the fuels that may be fired in the pyroprocessing area.

**Table 2-1. Typical Fuel Characteristics**

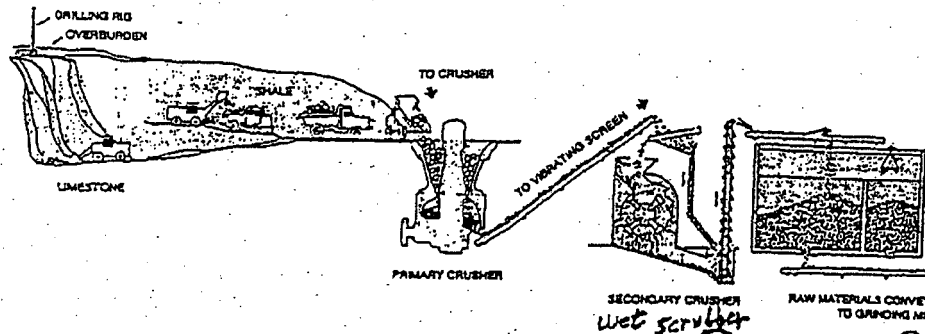
Parameter	Coal	Pet coke
HHV, Btu/lb	11,000 - 13,000	12,500 - 14,500
wt. % Moisture	1 - 8	7 - 13
wt. % Volatile Matter	25 - 35	8.5 - 16.5
wt. % ash	5 - 10	1 - 2
wt. % fix carbon	55 - 65	65 - 75
wt. % Sulfur	0.5 - 2.5	3 - 6
wt. % Chlorine	0.1 - 0.3	NA*

\* NA - data are not available

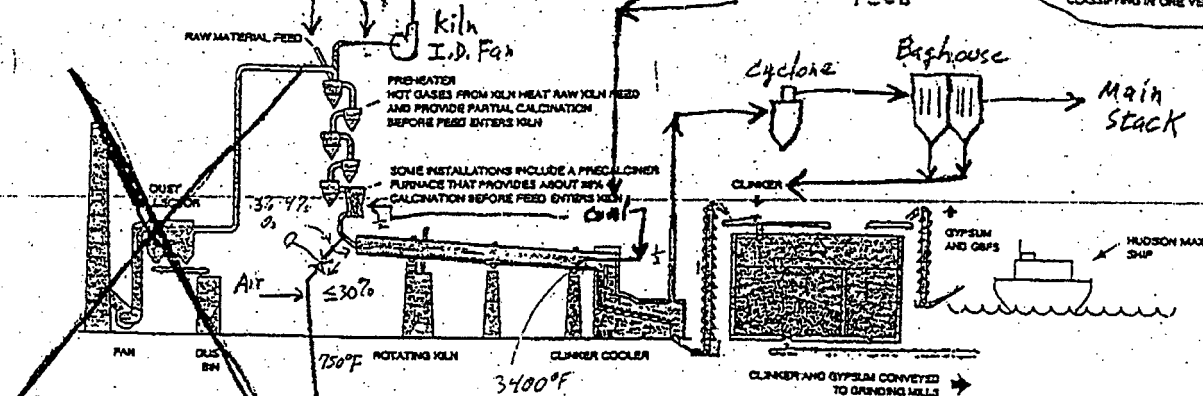
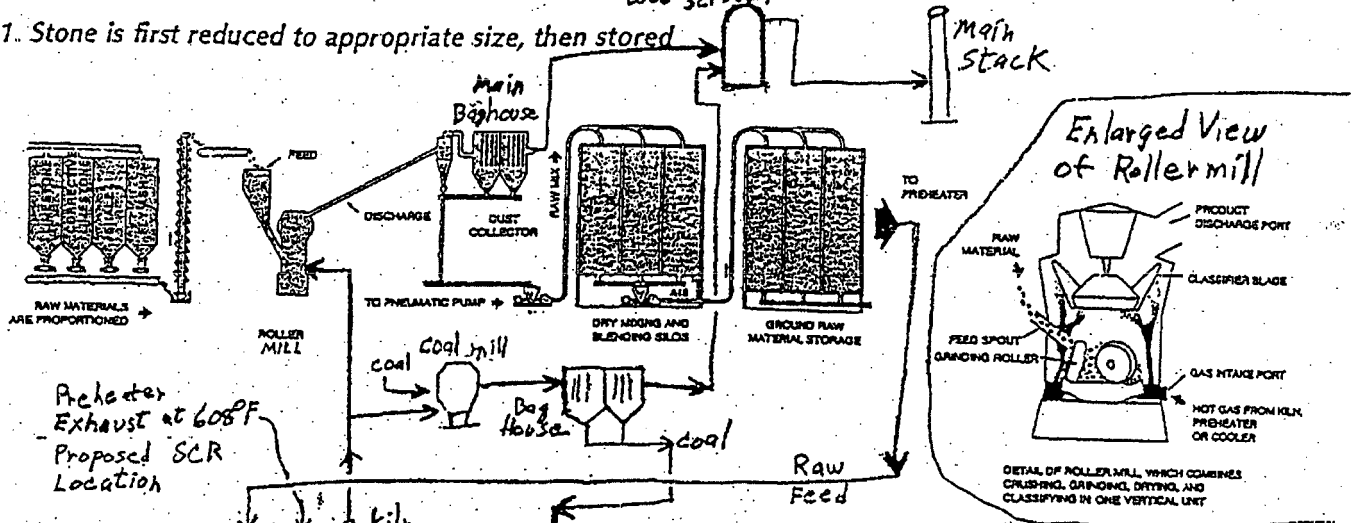
**Raw Materials**

As discussed in this Specification, the primary raw material used in the cement manufacturing process is limestone. Some of the additional raw materials that will be added to the process include shale, iron ore, bauxite, fly ash, and coal ash.

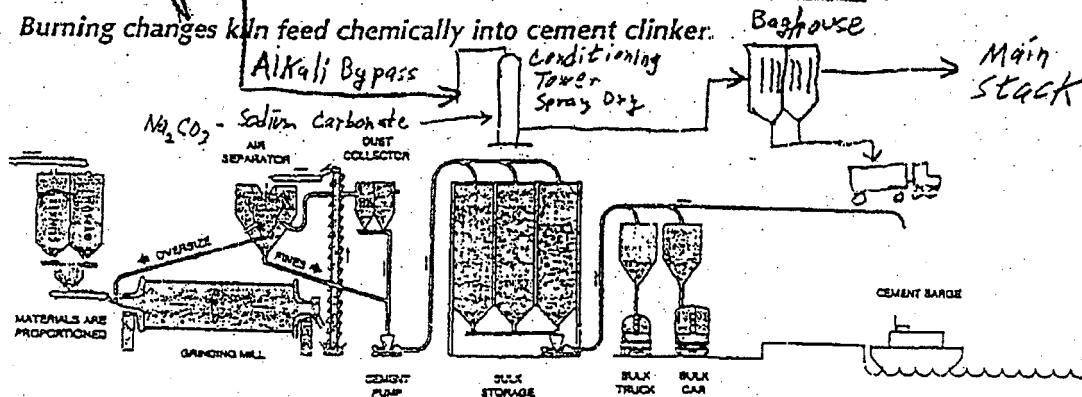
4-01



1. Stone is first reduced to appropriate size, then stored



3. Burning changes kiln feed chemically into cement clinker.



4. Clinker with gypsum and GBFS is ground into cement and shipped

Typical Process Flow

### Temperature, Pressure, and Flow Characteristics

Table 2-2 presents the expected temperature, pressure, and flow characteristics of the preheater tower exhaust gas stream. Note that these values are for bid purposes only, and actual values could differ.

Table 2-2. Anticipated Gas Characteristics in Preheater Downcomer

Parameter		Value	Notes
Gas flow rate at	Nm <sup>3</sup> /hour (typical)	381,000	3.6% O <sub>2</sub> , @ 0°C, 5.8 % H <sub>2</sub> O, 1 atm
SCR inlet	Nm <sup>3</sup> /hour (max)	419,000	5.6% O <sub>2</sub> @ 0°C, 5.3% H <sub>2</sub> O, 1 atm
	m <sup>3</sup> /hour ( typical)	828,000	3.6 %O <sub>2</sub> @ 320 °C, 5.8% H <sub>2</sub> O
	m <sup>3</sup> /hour (max)	910,000	5.6%, O <sub>2</sub> @ 320°C, 5.3% H <sub>2</sub> O
Gas temperature at SCR inlet	Typical	320°C	SCR bypass to be used when inlet temp is < 300°C and >400°C or as specified by VENDOR
	Max Temperature Rate of Change	100 °C/minute	Maximum ramp rate will occur when preheater meal feed is lost or disrupted. Normally this will result in a kiln shutdown, but there may be several minutes of excessive temperatures before shutdown occurs.
Gas pressure at SCR inlet	Typical	-60 mBar.	
	Minimum	-80 mBar	

### Gas-Phase Compositions and Ranges

Table 2-3 presents gas-phase composition data for the preheater tower exhaust gas stream. Note that these values are based on design and anticipated operation, and actual values could differ

**Table 2-3. . Anticipated Gas Stream Composition Preheater Downcomer**

Parameter		Value	Notes
Particulate matter	Typical	60 grams/Nm <sup>3</sup>	
loading at SCR inlet	Maximum	100 grams/Nm <sup>3</sup>	
Particulate matter size distribution	Typical	Unknown	No data are available on the dust size distribution at this location in the process.
SO <sub>2</sub>	Typical(daily average)	600 ppmv	@ 3.6% O <sub>2</sub>
	Maximum(daily average)	750 ppmv	@ 3.6% O <sub>2</sub>
SO <sub>3</sub>	Typical(daily average)	5 ppmv	@ 3.6% O <sub>2</sub>
	Maximum(daily average)	7 ppmv	@ 3.6% O <sub>2</sub>
NO <sub>x</sub>	Typical (daily avg.)	600 ppmv	@ 3.6% O <sub>2</sub>
	Maximum (daily avg.)	1400 ppmv	@ 3.6 % O <sub>2</sub>
	Maximum Rate of change	33 ppmv/sec	Rapid variation in NO <sub>x</sub> concentration will be routine
CO	Typical(daily average)	720 ppmv	@ 3.6% O <sub>2</sub>
	Maximum (daily average)	1500 ppmv	@ 3.6% O <sub>2</sub>
O <sub>2</sub>	Typical	3.6 vol. %	Even higher O <sub>2</sub> levels can occur during malfunction conditions.
	Maximum	~6 vol. %	
CO <sub>2</sub>	Typical	30 vol. %	@ 3.6% O <sub>2</sub>
H <sub>2</sub> O	Typical	~6.0 vol. %	@ 3.6% O <sub>2</sub>
Process Generated NH <sub>3</sub>	Typical	20 ppmv	@ 3.6% O <sub>2</sub>
	Maximum	30 ppmv	@ 3.6% O <sub>2</sub>
	Minimum	10 ppmv	@ 3.6% O <sub>2</sub>
Hydrocarbons (THC)	Typical	25 ppmv as C <sub>3</sub> H <sub>8</sub>	@ 3.6% O <sub>2</sub>
	Maximum	36 ppmv as C <sub>3</sub> H <sub>8</sub>	@ 3.6% O <sub>2</sub>



## Entrained Dust Composition

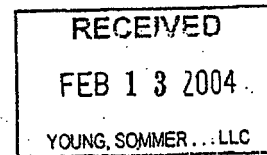
Table 2-4 presents composition data for the entrained dust in the preheater tower exhaust gas stream. Note that these values are based on design and anticipated operation, and actual values could differ. Note also that this entrained dust may be "sticky" under the operating conditions of the preheater tower exhaust stream. See <http://www.robinsonfans.com/protect/cement.htm> for additional details.

Table 2-4. Particulate Matter Composition

Compound		Value	Notes
CaO	Typical	26 grams/Nm <sup>3</sup>	Value is CaO + CaCO <sub>3</sub> . CaO levels should be assumed to be high.
	Maximum	45 grams/Nm <sup>3</sup>	
K <sub>2</sub> O	Typical	0.55 grams/Nm <sup>3</sup>	
	Maximum	0.61 grams/Nm <sup>3</sup>	
Na <sub>2</sub> O	Typical	0.20 grams/Nm <sup>3</sup>	
	Maximum	0.22 grams/Nm <sup>3</sup>	
Cr <sub>2</sub> O <sub>3</sub>	Typical	0.00087 grams/Nm <sup>3</sup>	
	Maximum	0.00130 grams/Nm <sup>3</sup>	
PbO	Typical	0.00081 grams/Nm <sup>3</sup>	
	Maximum	0.00110 grams/Nm <sup>3</sup>	
As <sub>2</sub> O <sub>3</sub> (gas)	Typical	0.0034 grams/Nm <sup>3</sup>	
	Maximum	0.0047 grams/Nm <sup>3</sup>	
SiO <sub>2</sub>	Typical	8.4 grams/Nm <sup>3</sup>	
	Maximum	14.1 grams/Nm <sup>3</sup>	
Al <sub>2</sub> O <sub>3</sub>	Typical	2.0 grams/Nm <sup>3</sup>	
	Maximum	3.5 grams/Nm <sup>3</sup>	
Fe <sub>2</sub> O <sub>3</sub>	Typical	1.5 grams/Nm <sup>3</sup>	
	Maximum	2.7 grams/Nm <sup>3</sup>	
TiO <sub>2</sub>	Typical	0.11 grams/Nm <sup>3</sup>	
	Maximum	0.19 grams/Nm <sup>3</sup>	
MgO	Typical	0.50 grams/Nm <sup>3</sup>	
	Maximum	0.86 grams/Nm <sup>3</sup>	
P <sub>2</sub> O <sub>5</sub>	Typical	0.06 grams/Nm <sup>3</sup>	
	Maximum	0.11 grams/Nm <sup>3</sup>	
V <sub>2</sub> O <sub>5</sub>	Typical	0.0012 grams/Nm <sup>3</sup>	
	Maximum	0.0017 grams/Nm <sup>3</sup>	



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February 10, 2004

Mr. Howard Franklin  
Manager, SCR Development  
Hitachi America, Ltd  
Power and Industrial Division  
50 Prospect Avenue  
Tarrytown, NY 10591

Subject: Proposed SCR System for St. Lawrence Cement

Dear Mr. Franklin:

As I explained in our telephone conversation, CDM is an environmental consulting firm providing environmental assessments of St. Lawrence Cement's proposed cement plant in Greenport, NY. One of our assignments is to assess whether or not the air pollution control (APC) systems for the proposed cement plant meet present day APC laws and regulations. Since the project is located in the Northeast Ozone Transport Region, nitrogen oxide (NOx) and volatile organic compounds (VOCs) are subject to Lowest Achievable Emission Rate (LAER) control technology. Therefore, we are most interested in the feasibility of applying selective catalytic reduction (SCR) control to the proposed cement plant.

We have developed a list of SCR system performance guarantees which are contained in Appendix 1. Appendix 2 contains process data on the proposed cement plant in Greenport, NY. To assist us in evaluating the suitability of applying SCR technology to the proposed cement plant, could you please answer the following questions.

1. Can Hitachi America guarantee that their SCR system if installed on the proposed St. Lawrence Cement plant in Greenport, NY will meet the performance guarantees stated in Appendix 1? If there are any performance guarantees which you would have to take exception to, please indicate these. Process data on the proposed cement plant is included in Appendix 2, Cement Manufacturing Plant - Process Data.
2. One of the problems with applying SCR to this project is the temperature of the preheater tower exhaust gas, minimum of 300°C (572° F), which is slightly lower than the desired minimum inlet temperature of 315°C (600° F) to 325°C (617° F). One of the possible solutions to this problem is to install a bypass duct around the last preheater cyclone. See attached Figure 1 showing kiln, preheater cyclones, proposed cyclone



Mr. Howard Franklin

February 10, 2004

Page 2

bypass duct and nominal design temperatures through the process. Assuming that the preheater tower exhaust temperature from the last preheater tower is at the minimum 572° F and its temperature needs to be raised to 617° F, only 5% of the 932° F gas stream going into the last cyclone would have to be bypassed to achieve the desired 617° F going into the SCR system. Note that similar types of economizer bypasses are commonly used on utility boiler SCR systems. Does this sound like a reasonable way to address the temperature problem? Do you see any technical flaws in it? Assuming such a cyclone bypass duct could be installed on the proposed cement plant, could Hitachi America agree to providing the performance guarantees stated above?

3. Lastly, we are most interested in hearing about SCR testing and experience at other plants, particularly those firing high dust, high sulfur fuels such as Powder River Basin (PRB) coal. I found the following article on your website, *"Recent Experience with SCR Catalyst for PRB Fuels, High Sulfur Fuels, and Low Dust Applications"* which was most helpful. Is there any more recent plant data particularly on the PRB Coal Plant owned by Kansas City Power and Light (Hawthorn 5)? Has there been any masking or fouling due to formation of  $\text{CaSO}_4$ ? Has  $\text{CaSO}_4$  deactivated the catalyst and reduced its life? Also the article listed the  $\text{DeNO}_x$  Efficiency at 55.6%. Has this been improved? Any other related data would be helpful.

We greatly appreciate your assistance on this important project. If you have any questions or concerns, please do not hesitate to call me at 617-452-6239. If you could respond to us by February 24, 2004 that would be most appreciated. Thank you.

Very truly yours,

Frank Sapienza  
Principle Engineer  
Camp Dresser & McKee Inc.



Mr. Howard Franklin  
February 10, 2004  
Page 3

## APPENDIX 1

### Performance Guarantees for SCR System

#### 1. NO<sub>x</sub> Reduction Efficiency

The SCR system shall achieve a minimum of 85% NO<sub>x</sub> reduction efficiency when the proposed cement manufacturing plant (specifically the kiln, precalciner and preheater) is operating at stable, continuous conditions. Stable continuous conditions are defined as operation of the plant such that the preheater tower exit gas flow rate, temperature and composition are as defined below (i.e. between the following minimum and maximum values):

	Minimum	Maximum
Flow rate in actual m <sup>3</sup> /hr	600,000	950,000
Temperature in degrees C.	300.	400.

All other preheater tower exit gas characteristics and composition shall be between the limits indicated in Table 2-2, 2-3 and 2-4 of Appendix 2. The above NO<sub>x</sub> reduction efficiency shall be maintained for the life of the catalyst. The life of the catalyst is defined in Item 6 below.

#### 2. NH<sub>3</sub> Slip

The NH<sub>3</sub> slip from the SCR reactor shall not exceed 2 ppmvd at 3% oxygen when the cement manufacturing plant is operating at stable, continuous conditions. The ammonia slip emission limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 3. SO<sub>2</sub> Oxidation

The fraction of SO<sub>2</sub> that is oxidized to form SO<sub>3</sub> in the SCR reactor shall not exceed 1.0 mole % while the cement manufacturing plant is operating at stable, continuous conditions. The SO<sub>2</sub> oxidation limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 4. Gas-Side Pressure Loss Requirements

The flange-to-flange gas side pressure loss across the SCR system shall not exceed 6 inches water column when the cement manufacturing plant is operating at stable,



Mr. Howard Franklin  
February 10, 2004  
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continuous conditions. The gas side pressure loss must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 5. Turndown Requirements

The SCR system must be capable of maintaining all performance requirements listed in this Appendix when the preheater tower exit gas has a flow, temperature and characteristics within the ranges defined in Item 1 above.

#### 6. Catalyst Life

The average catalyst life shall be a minimum of 24,000 hours of operating time. Operating time includes only that time during which  $\text{NH}_3$  is injected into the preheater tower exhaust gas upstream of the SCR reactor. Average catalyst life refers to the average length of time catalyst is installed in the reactor before it is removed and replaced.

#### 7. SCR Availability Requirement

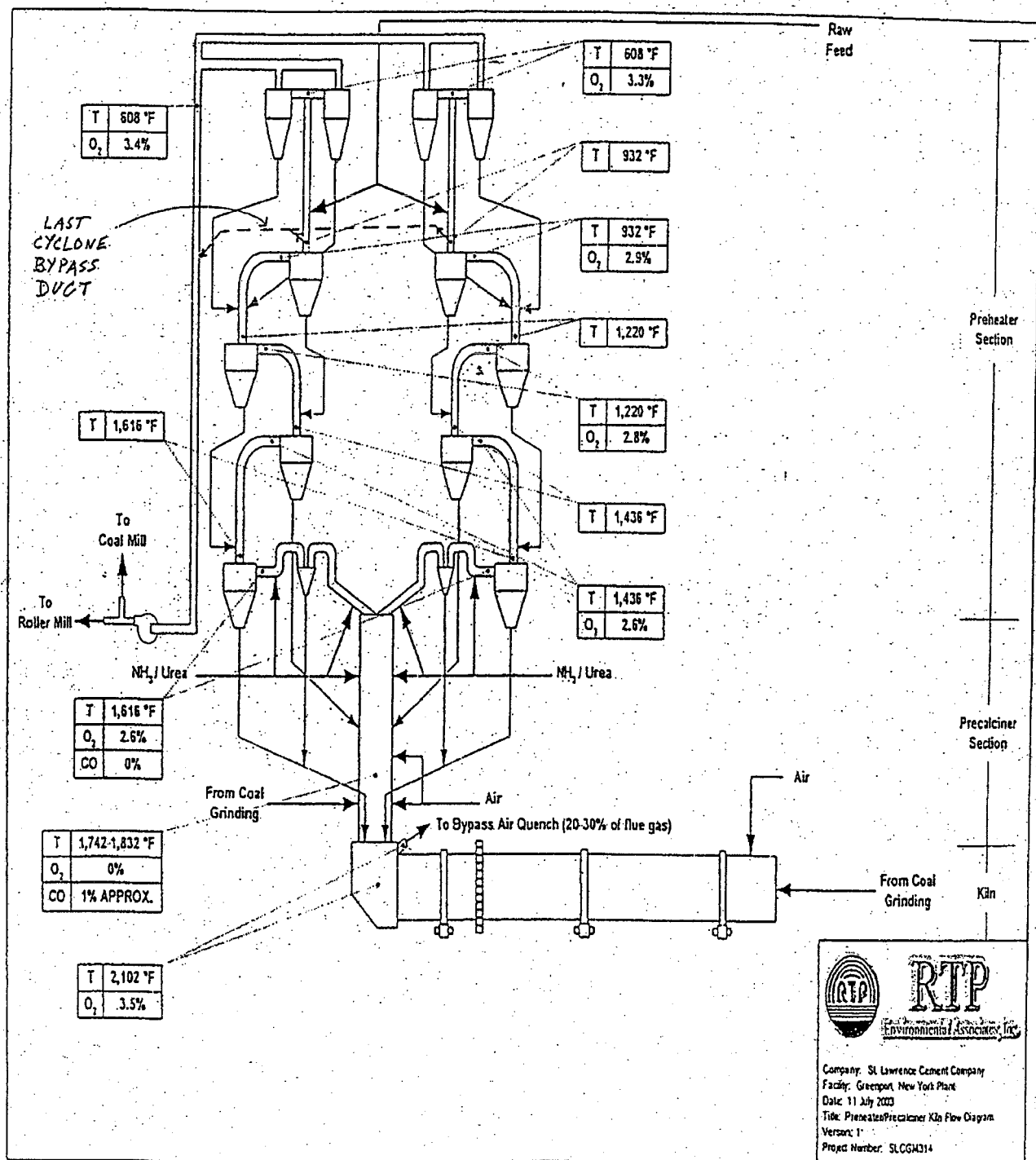
The SCR system shall be available at least 98% of the time that the cement manufacturing plant is operated at stable, continuous conditions, and also provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the SCR supplier's Operations and Maintenance Manuals.

#### 8. Failure to Meet Performance Guarantees

If the SCR system fails to meet the  $\text{NO}_x$  reduction efficiency (85%) as stated in Item 1 or the  $\text{NH}_3$  slip limit stated in Item 2, then the SCR system supplier shall correct the failure by repair, modification or replacement of the SCR equipment, whole or in part. If, after a reasonable period in which the SCR supplier attempts to correct the deficiencies, the SCR system still fails to meet the above  $\text{NO}_x$  reduction and  $\text{NH}_3$  slip guarantees, then the SCR supplier shall pay the Purchaser liquidated damages. The amount of liquidated damages shall be determined by the supplier and Purchaser and shall be based on the cost to the Purchaser of excess  $\text{NO}_x$  emissions released to the atmosphere.

Test method procedures for determining  $\text{NO}_x$ ,  $\text{NH}_3$ ,  $\text{SO}_2$  and  $\text{SO}_3$  concentrations shall be US EPA Test Methods (40 CFR 60 Appendix A).

Figure 1  
Schematic of Greenport Preheater/Precalciner Section Showing Nominal Temperatures



APPENDIX 2  
CEMENT MANUFACTURING PLANT - PROCESS DATA

**Fuel Type and Composition**

The kiln pyroprocessing system will be fired primarily with coal but up to 20 % of total fuel may be chemical petroleum coke. No. 2 oil and natural gas will be used for kiln startup. On average, the split of fuel delivered to the pyroprocessing area would be 60% to the precalciner and 40 % to the kiln. Some minor variations of the fuel allocation between these two locations will occur to adjust for variations in raw mix and fuel quality. The typical fuel firing rate is estimated to be about 800 MMBtu/hr. Table 2-1 lists some properties of the fuels that may be fired in the pyroprocessing area.

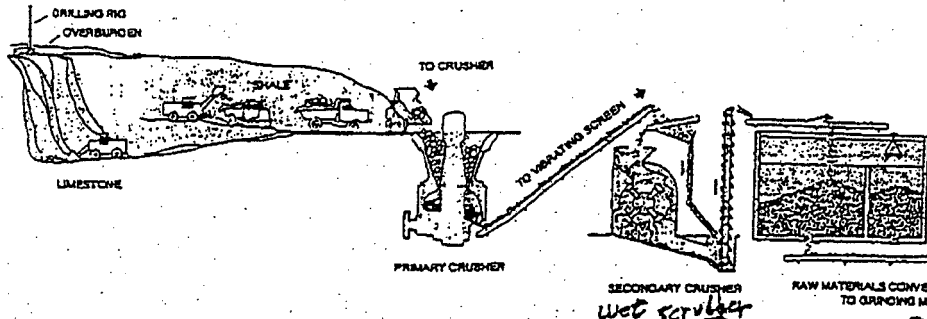
**Table 2-1. Typical Fuel Characteristics**

Parameter	Coal	Pet coke
HHV, Btu/lb	11,000 - 13,000	12,500 - 14,500
wt. % Moisture	1 - 8	7 - 13
wt. % Volatile Matter	25 - 35	8.5 - 16.5
wt. % ash	5 - 10	1 - 2
wt. % fix carbon	55 - 65	65 - 75
wt. % Sulfur	0.5 - 2.5	3 - 6
wt. % Chlorine	0.1 - 0.3	NA*

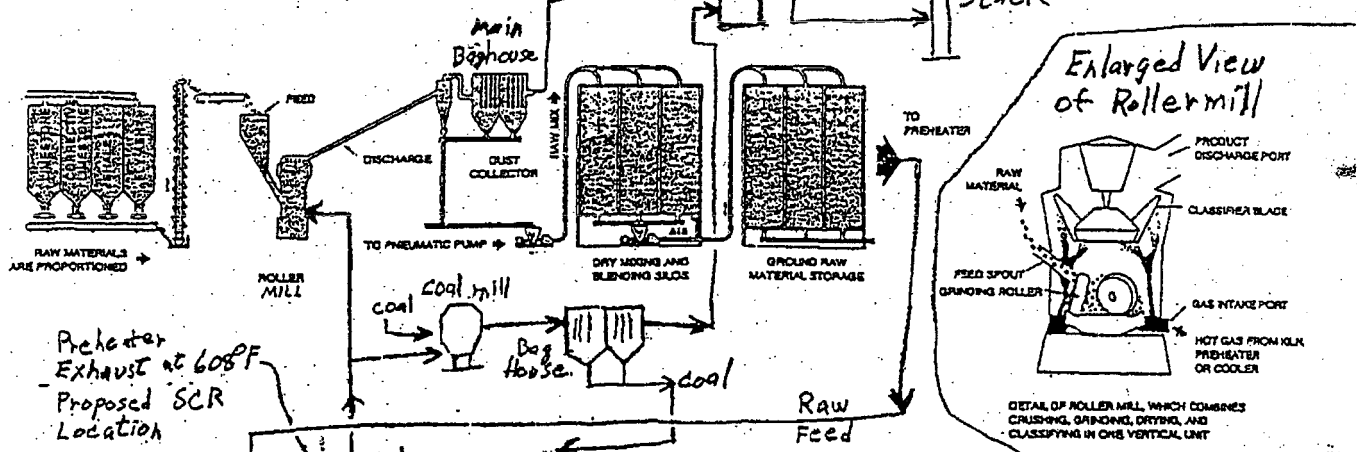
\* NA - data are not available

**Raw Materials**

As discussed in this Specification, the primary raw material used in the cement manufacturing process is limestone. Some of the additional raw materials that will be added to the process include shale, iron ore, bauxite, fly ash, and coal ash.

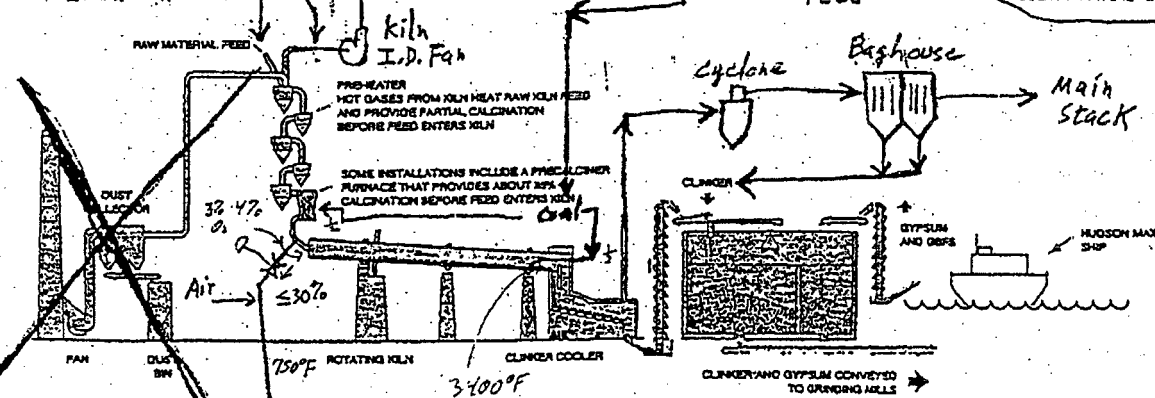


1. Stone is first reduced to appropriate size, then stored

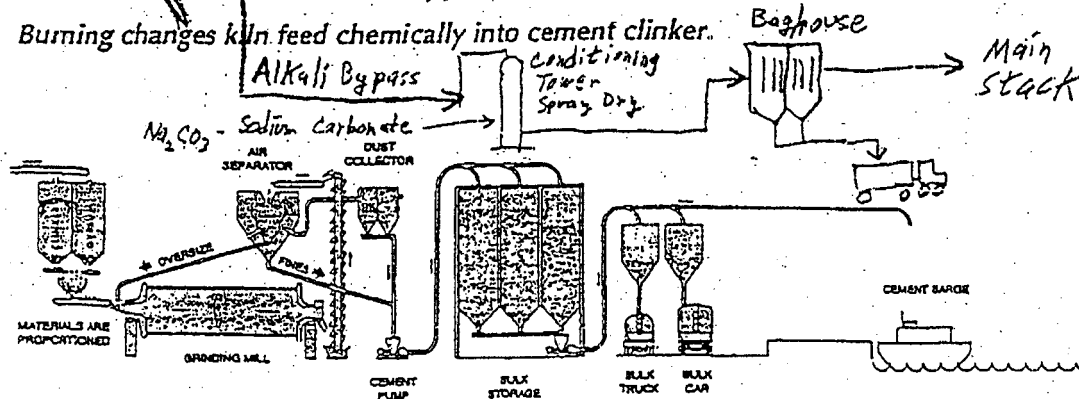


Preheater Exhaust at 608°F  
Proposed SCR Location

Enlarged View of Roller mill



3. Burning changes kiln feed chemically into cement clinker.



4. Clinker with gypsum and GBFS is ground into cement and shipped

Typical Process Flow



### Temperature, Pressure, and Flow Characteristics

Table 2-2 presents the expected temperature, pressure, and flow characteristics of the preheater tower exhaust gas stream. Note that these values are for bid purposes only, and actual values could differ.

Table 2-2. Anticipated Gas Characteristics in Preheater Downcomer

Parameter		Value	Notes
Gas flow rate at	Nm <sup>3</sup> /hour (typical)	381,000	3.6% O <sub>2</sub> , @ 0°C, 5.8 % H <sub>2</sub> O, 1 atm
SCR inlet	Nm <sup>3</sup> /hour (max)	419,000	5.6% O <sub>2</sub> @ 0°C, 5.3% H <sub>2</sub> O, 1 atm
	m <sup>3</sup> /hour (typical)	828,000	3.6 %O <sub>2</sub> @ 320 °C, 5.8% H <sub>2</sub> O
	m <sup>3</sup> /hour (max)	910,000	5.6%, O <sub>2</sub> @ 320°C, 5.3% H <sub>2</sub> O
Gas temperature at SCR inlet	Typical	320°C	SCR bypass to be used when inlet temp is < 300°C and >400°C or as specified by VENDOR
	Max Temperature Rate of Change	100 °C/minute	Maximum ramp rate will occur when preheater meal feed is lost or disrupted. Normally this will result in a kiln shutdown, but there may be several minutes of excessive temperatures before shutdown occurs.
Gas pressure at SCR inlet	Typical	-60 mBar.	
	Minimum	-80 mBar	

### Gas-Phase Compositions and Ranges

Table 2-3 presents gas-phase composition data for the preheater tower exhaust gas stream. Note that these values are based on design and anticipated operation, and actual values could differ.

Table 2-3. . Anticipated Gas Stream Composition Preheater Downcomer

Parameter		Value	Notes
Particulate matter	Typical	60 grams/Nm <sup>3</sup>	
loading at SCR inlet	Maximum	100 grams/Nm <sup>3</sup>	
Particulate matter size distribution	Typical	Unknown	No data are available on the dust size distribution at this location in the process.
SO <sub>2</sub>	Typical(daily average)	600 ppmv	@ 3.6% O <sub>2</sub>
	Maximum(daily average)	750 ppmv	@ 3.6% O <sub>2</sub>
SO <sub>3</sub>	Typical(daily average)	5 ppmv	@ 3.6% O <sub>2</sub>
	Maximum(daily average)	7 ppmv	@ 3.6% O <sub>2</sub>
NO <sub>x</sub>	Typical (daily avg.)	600 ppmv	@ 3.6% O <sub>2</sub>
	Maximum (daily avg.)	1400 ppmv	@ 3.6 % O <sub>2</sub>
	Maximum Rate of change	33 ppmv/sec	Rapid variation in NO <sub>x</sub> concentration will be routine
CO	Typical(daily average)	720 ppmv	@ 3.6% O <sub>2</sub>
	Maximum (daily average)	1500 ppmv	@ 3.6% O <sub>2</sub>
O <sub>2</sub>	Typical	3.6 vol. %	Even higher O <sub>2</sub> levels can occur during malfunction conditions.
	Maximum	~6 vol. %	
CO <sub>2</sub>	Typical	30 vol. %	@ 3.6% O <sub>2</sub>
H <sub>2</sub> O	Typical	~6.0 vol. %	@ 3.6% O <sub>2</sub>
Process Generated NH <sub>3</sub>	Typical	20 ppmv	@ 3.6% O <sub>2</sub>
	Maximum	30 ppmv	@ 3.6% O <sub>2</sub>
	Minimum	10 ppmv	@ 3.6% O <sub>2</sub>
Hydrocarbons (THC)	Typical	25 ppmv as C <sub>3</sub> H <sub>8</sub>	@ 3.6% O <sub>2</sub>
	Maximum	36 ppmv as C <sub>3</sub> H <sub>8</sub>	@ 3.6% O <sub>2</sub>

## Entrained Dust Composition

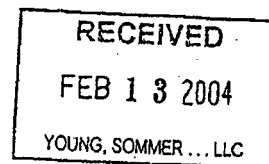
Table 2-4 presents composition data for the entrained dust in the preheater tower exhaust gas stream. Note that these values are based on design and anticipated operation, and actual values could differ. Note also that this entrained dust may be "sticky" under the operating conditions of the preheater tower exhaust stream. See <http://www.robinsonfans.com/protect/cement.htm> for additional details.

Table 2-4. Particulate Matter Composition

Compound		Value	Notes
CaO	Typical	26 grams/Nm <sup>3</sup>	Value is CaO + CaCO <sub>3</sub> . CaO levels should be assumed to be high.
	Maximum	45 grams/Nm <sup>3</sup>	
K <sub>2</sub> O	Typical	0.55 grams/Nm <sup>3</sup>	
	Maximum	0.61 grams/Nm <sup>3</sup>	
Na <sub>2</sub> O	Typical	0.20 grams/Nm <sup>3</sup>	
	Maximum	0.22 grams/Nm <sup>3</sup>	
Cr <sub>2</sub> O <sub>3</sub>	Typical	0.00087 grams/Nm <sup>3</sup>	
	Maximum	0.00130 grams/Nm <sup>3</sup>	
PbO	Typical	0.00081 grams/Nm <sup>3</sup>	
	Maximum	0.00110 grams/Nm <sup>3</sup>	
As <sub>2</sub> O <sub>3</sub> (gas)	Typical	0.0034 grams/Nm <sup>3</sup>	
	Maximum	0.0047 grams/Nm <sup>3</sup>	
SiO <sub>2</sub>	Typical	8.4 grams/Nm <sup>3</sup>	
	Maximum	14.1 grams/Nm <sup>3</sup>	
Al <sub>2</sub> O <sub>3</sub>	Typical	2.0 grams/Nm <sup>3</sup>	
	Maximum	3.5 grams/Nm <sup>3</sup>	
Fe <sub>2</sub> O <sub>3</sub>	Typical	1.5 grams/Nm <sup>3</sup>	
	Maximum	2.7 grams/Nm <sup>3</sup>	
TiO <sub>2</sub>	Typical	0.11 grams/Nm <sup>3</sup>	
	Maximum	0.19 grams/Nm <sup>3</sup>	
MgO	Typical	0.50 grams/Nm <sup>3</sup>	
	Maximum	0.86 grams/Nm <sup>3</sup>	
P <sub>2</sub> O <sub>5</sub>	Typical	0.06 grams/Nm <sup>3</sup>	
	Maximum	0.11 grams/Nm <sup>3</sup>	
V <sub>2</sub> O <sub>5</sub>	Typical	0.0012 grams/Nm <sup>3</sup>	
	Maximum	0.0017 grams/Nm <sup>3</sup>	



One Cambridge Place, 50 Hampshire Street  
Cambridge, Massachusetts 02139  
tel: 617 452-6000  
fax: 617 452-8000



February 10, 2004

Mr. Hansen Flemming  
Sales Manager  
Haldor Topsoe  
17629 El Camino Real  
Houston, TX 77058

Subject: Proposed SCR System for St. Lawrence Cement

Dear Mr. Flemming:

As I explained in our telephone conversation yesterday, CDM is an environmental consulting firm providing environmental assessments of St. Lawrence Cement's proposed cement plant in Greenport, NY. One of our assignments is to assess whether or not the air pollution control (APC) systems for the proposed cement plant meet present day APC laws and regulations. Since the project is located in the Northeast Ozone Transport Region, nitrogen oxide (NOx) and volatile organic compounds (VOCs) are subject to Lowest Achievable Emission Rate (LAER) control technology. Therefore, we are most interested in the feasibility of applying selective catalytic reduction (SCR) control to the proposed cement plant.

We have reviewed St. Lawrence's SCR Bid Specification and Alstom's SCR proposal dated 9/19/03. We understand Haldor Topsoe is the preferred catalyst supplier in Alstom's proposal. There seems to be some misunderstanding of St. Lawrence's interpretation of Alstom's proposal. Also there is some question as to the practicality and reasonableness of some of the performance standards which St. Lawrence Cement required in their Bid Specification. Therefore, to clarify Haldor Topsoe's position to offer an SCR catalyst for the proposed cement plant in Greenport, could you please answer the following questions.

1. Can Haldor Topsoe guarantee that their proposed SCR catalyst for St. Lawrence Cement will meet the following performance guarantees as stated in Appendix 1? Note that we have changed the performance standards in the original Bid Specification to reflect what is typically provided in a performance guarantee by an SCR system supplier. If there are any performance guarantees which you would have to take exception to, please indicate these. Assume that the Application Description/Design Basis as stated in Section 2.0 of the Bid Specification are unchanged. I have included these data in Appendix 2 - Cement Manufacturing Plant - Process Data.



Mr. Hansen Flemming  
February 10, 2004  
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2. One of the problems with applying SCR to this project is the temperature of the preheater tower exhaust gas, minimum of 300°C (572° F), which is slightly lower than the desired minimum inlet temperature of 315°C (600° F) to 325°C (617° F). One of the possible solutions to this problem is to install a bypass duct around the last preheater cyclone. See attached Figure 1 showing kiln, preheater cyclones, proposed cyclone bypass duct and nominal design temperatures through the process. Assuming that the preheater tower exhaust temperature from the last preheater tower is at the minimum 572° F and its temperature needs to be raised to 617° F, only 5% of the 932° F gas stream going into the last cyclone would have to be bypassed to achieve the desired 617° F going into the SCR system. Note that similar types of economizer bypasses are commonly used on utility boiler SCR systems. Does this sound like a reasonable way to address the temperature problem? Do you see any technical flaws in it? Assuming such a cyclone bypass duct could be installed on the proposed cement plant, could Haldor Topsoe agree to providing the performance guarantees stated above?
3. Lastly, we are most interested in hearing about the SCR testing being done by Italcementi (Broni and Caluso plants). Do you have any data from these projects which you can share with us. We would like to know about: sulfur and SO<sub>2</sub> concentrations in the limestone and preheater exhaust gas, concentrations of alkalis (Na, K) and other detrimental elements (arsenic, lead, phosphorus) in the raw feed and the preheater exhaust gas, SO<sub>2</sub> oxidation levels, any formation of CaSO<sub>4</sub>, any plugging or fouling problems, NO<sub>2</sub> reduction, NH<sub>3</sub> slip levels, fuel used, type of catalyst, temperatures at inlet and outlet of SCR system, type of soot blowers and frequency used, dust loading to the SCR system and composition of the dust.

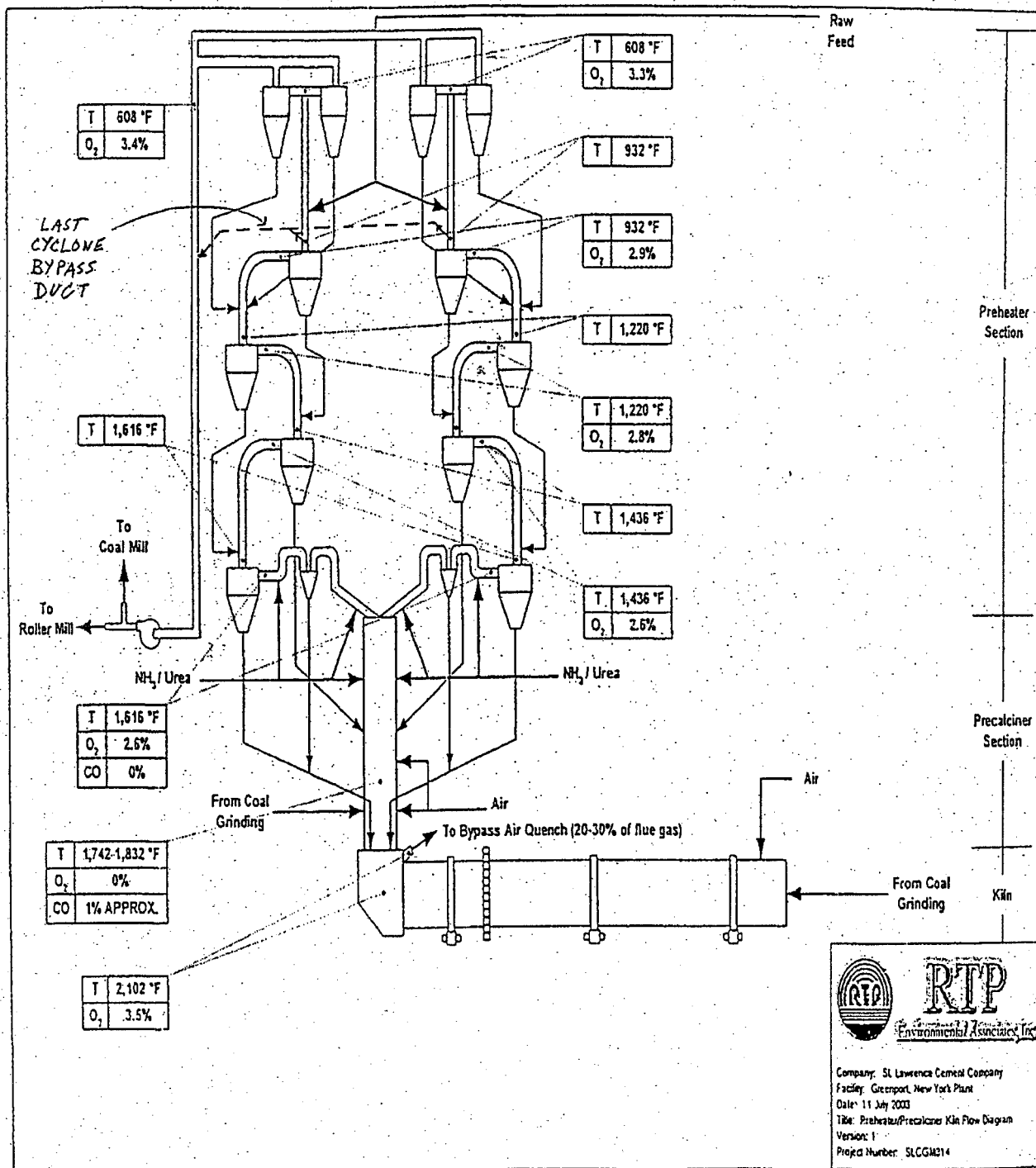
We greatly appreciate your assistance on this important project. If you have any questions or concerns, please do not hesitate to call me at 617-452-6239. If you could respond to us by February 24, 2004 that would be most appreciated. Thank you.

Very truly yours,

*Frank Sapienza*

Frank Sapienza  
Principle Engineer  
Camp Dresser & McKee Inc

Figure 1  
Schematic of Greenport Preheater/Precalciner Section Showing Nominal Temperatures





Mr. Hansen Flemming  
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## APPENDIX 1

### Performance Guarantees for SCR System

#### 1. NO<sub>x</sub> Reduction Efficiency

The SCR system shall achieve a minimum of 85% NO<sub>x</sub> reduction efficiency when the proposed cement manufacturing plant (specifically the kiln, precalciner and preheater) is operating at stable, continuous conditions. Stable continuous conditions are defined as operation of the plant such that the preheater tower exit gas flow rate, temperature and composition are as defined below (i.e. between the following minimum and maximum values):

	Minimum	Maximum
Flow rate in actual m <sup>3</sup> /hr	600,000	950,000
Temperature in degrees C.	300.	400.

All other preheater tower exit gas characteristics and composition shall be between the limits indicated in Table 2-2 and 2-3 (as reissued on 9/5/04) and Table 2-4 of the Greenport Project SCR Bid Specification. The above NO<sub>x</sub> reduction efficiency shall be maintained for the life of the catalyst. The life of the catalyst is defined in Item 6 below.

#### 2. NH<sub>3</sub> Slip

The NH<sub>3</sub> slip from the SCR reactor shall not exceed 2 ppmvd at 3% oxygen when the cement manufacturing plant is operating at stable, continuous conditions. The ammonia slip emission limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 3. SO<sub>2</sub> Oxidation

The fraction of SO<sub>2</sub> that is oxidized to form SO<sub>3</sub> in the SCR reactor shall not exceed 1.0 mole % while the cement manufacturing plant is operating at stable, continuous conditions. The SO<sub>2</sub> oxidation limit must be maintained for the life of the catalyst which is defined in Item 6 below.



Mr. Hansen Flemming  
February 10, 2004  
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#### 4. Gas-Side Pressure Loss Requirements

The flange-to-flange gas side pressure loss across the SCR system shall not exceed 6 inches water column when the cement manufacturing plant is operating at stable, continuous conditions. The gas side pressure loss must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 5. Turndown Requirements

The SCR system must be capable of maintaining all performance requirements listed in this Appendix when the preheater tower exit gas has a flow, temperature and characteristics within the ranges defined in Item 1 above.

#### 6. Catalyst Life

The average catalyst life shall be a minimum of 24,000 hours of operating time. Operating time includes only that time during which  $\text{NH}_3$  is injected into the preheater tower exhaust gas upstream of the SCR reactor. Average catalyst life refers to the average length of time catalyst is installed in the reactor before it is removed and replaced.

#### 7. SCR Availability Requirement

The SCR system shall be available at least 98% of the time that the cement manufacturing plant is operated at stable, continuous conditions, and also provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the SCR supplier's Operations and Maintenance Manuals.

#### 8. Failure to Meet Performance Guarantees

If the SCR system fails to meet the  $\text{NO}_x$  reduction efficiency (85%) as stated in Item 1 or the  $\text{NH}_3$  slip limit stated in Item 2, then the SCR system supplier shall correct the failure by repair, modification or replacement of the SCR equipment, whole or in part. If, after a reasonable period in which the SCR supplier attempts to correct the deficiencies, the SCR system still fails to meet the above  $\text{NO}_x$  reduction and  $\text{NH}_3$  slip guarantees, then the SCR supplier shall pay the Purchaser liquidated damages. The amount of liquidated damages shall be determined by the supplier and Purchaser and shall be based on the cost to the Purchaser of excess  $\text{NO}_x$  emissions released to the atmosphere.

Test method procedures for determining  $\text{NO}_x$ ,  $\text{NH}_3$ ,  $\text{SO}_2$  and  $\text{SO}_3$  concentrations shall be as stated in the Greenport Project SCR Bid Specification.



APPENDIX 2  
CEMENT MANUFACTURING PLANT - PROCESS DATA

**Fuel Type and Composition**

The kiln pyroprocessing system will be fired primarily with coal but up to 20 % of total fuel may be chemical petroleum coke. No. 2 oil and natural gas will be used for kiln startup. On average, the spilt of fuel delivered to the pyroprocessing area would be 60% to the precalciner and 40 % to the kiln. Some minor variations of the fuel allocation between these two locations will occur to adjust for variations in raw mix and fuel quality. The typical fuel firing rate is estimated to be about 800 MMBtu/hr. Table 2-1 lists some properties of the fuels that may be fired in the pyroprocessing area.

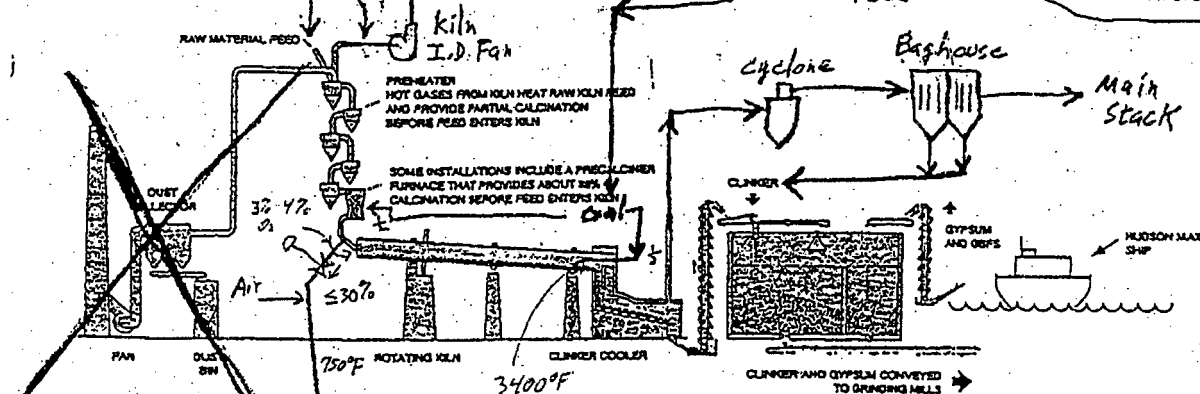
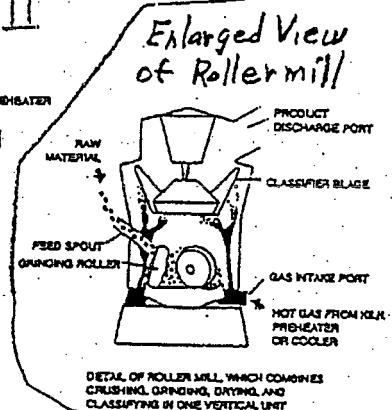
**Table 2-1. Typical Fuel Characteristics**

Parameter	Coal	Pet coke
HHV, Btu/lb	11,000 - 13,000	12,500 - 14,500
wt. % Moisture	1 - 8	7 - 13
wt. % Volatile Matter	25 - 35	8.5 - 16.5
wt. % ash	5 - 10	1 - 2
wt. % fix carbon	55 - 65	65 - 75
wt. % Sulfur	0.5 - 2.5	3 - 6
wt. % Chlorine	0.1 - 0.3	NA*

\* NA - data are not available

**Raw Materials**

As discussed in this Specification, the primary raw material used in the cement manufacturing process is limestone. Some of the additional raw materials that will be added to the process include shale, iron ore, bauxite, fly ash, and coal ash.



Burning changes kiln feed chemically into cement clinker.

Alkali Bypass

Conditioning Tower Spray Dry

Baghouse

Main Stack

$\text{Na}_2\text{CO}_3$  - Sodium Carbonate

AIR SEPARATOR

DUST COLLECTOR

OVERSIZE

FINES

GRINDING MILL

CEMENT PUMP

BULK STORAGE

BULK TRUCK

BULK CAR

CEMENT SARGE

MATERIALS ARE PROPORTIONED

### Typical Process Flow

### Temperature, Pressure, and Flow Characteristics

Table 2-2 presents the expected temperature, pressure, and flow characteristics of the preheater tower exhaust gas stream. Note that these values are for bid purposes only, and actual values could differ.

**Table 2-2. Anticipated Gas Characteristics in Preheater Downcomer**

Parameter		Value	Notes
Gas flow rate at	Nm <sup>3</sup> /hour (typical)	381,000	3.6% O <sub>2</sub> , @ 0°C, 5.8 % H <sub>2</sub> O, 1 atm
SCR inlet	Nm <sup>3</sup> /hour (max)	419,000	5.6% O <sub>2</sub> @ 0°C, 5.3% H <sub>2</sub> O, 1 atm
	m <sup>3</sup> /hour (typical)	828,000	3.6 % O <sub>2</sub> @ 320 °C, 5.8% H <sub>2</sub> O
	m <sup>3</sup> /hour (max)	910,000	5.6%, O <sub>2</sub> @ 320°C, 5.3% H <sub>2</sub> O
Gas temperature at SCR inlet	Typical	320°C	SCR bypass to be used when inlet temp is < 300°C and >400°C or as specified by VENDOR
	Max Temperature Rate of Change	100 °C/minute	Maximum ramp rate will occur when preheater meal feed is lost or disrupted. Normally this will result in a kiln shutdown, but there may be several minutes of excessive temperatures before shutdown occurs.
Gas pressure at SCR inlet	Typical	-60 mBar.	
	Minimum	-80 mBar	

### Gas-Phase Compositions and Ranges

Table 2-3 presents gas-phase composition data for the preheater tower exhaust gas stream. Note that these values are based on design and anticipated operation, and actual values could differ.

Table 2-3. . Anticipated Gas Stream Composition Preheater Downcomer

Parameter		Value	Notes
Particulate matter	Typical	60 grams/Nm <sup>3</sup>	
loading at SCR inlet	Maximum	100 grams/Nm <sup>3</sup>	
Particulate matter size distribution	Typical	Unknown	No data are available on the dust size distribution at this location in the process.
SO <sub>2</sub>	Typical(daily average)	600 ppmv	@ 3.6% O <sub>2</sub>
	Maximum(daily average)	750 ppmv	@ 3.6% O <sub>2</sub>
SO <sub>3</sub>	Typical(daily average)	5 ppmv	@ 3.6% O <sub>2</sub>
	Maximum(daily average)	7 ppmv	@ 3.6% O <sub>2</sub>
NO <sub>x</sub>	Typical (daily avg.)	600 ppmv	@ 3.6% O <sub>2</sub>
	Maximum (daily avg.)	1400 ppmv	@ 3.6 % O <sub>2</sub>
	Maximum Rate of change	33 ppmv/sec	Rapid variation in NO <sub>x</sub> concentration will be routine
CO	Typical(daily average)	720 ppmv	@ 3.6% O <sub>2</sub>
	Maximum (daily average)	1500 ppmv	@ 3.6% O <sub>2</sub>
O <sub>2</sub>	Typical	3.6 vol. %	Even higher O <sub>2</sub> levels can occur during malfunction conditions.
	Maximum	~6 vol. %	
CO <sub>2</sub>	Typical	30 vol. %	@ 3.6% O <sub>2</sub>
H <sub>2</sub> O	Typical	~6.0 vol. %	@ 3.6% O <sub>2</sub>
Process Generated NH <sub>3</sub>	Typical	20 ppmv	@ 3.6% O <sub>2</sub>
	Maximum	30 ppmv	@ 3.6% O <sub>2</sub>
	Minimum	10 ppmv	@ 3.6% O <sub>2</sub>
Hydrocarbons (THC)	Typical	25 ppmv as C <sub>3</sub> H <sub>8</sub>	@ 3.6% O <sub>2</sub>
	Maximum	36 ppmv as C <sub>3</sub> H <sub>8</sub>	@ 3.6% O <sub>2</sub>

## Entrained Dust Composition

Table 2-4 presents composition data for the entrained dust in the preheater tower exhaust gas stream. Note that these values are based on design and anticipated operation, and actual values could differ. Note also that this entrained dust may be "sticky" under the operating conditions of the preheater tower exhaust stream. See <http://www.robinsonfans.com/protect/cement.htm> for additional details.

Table 2-4. Particulate Matter Composition

Compound		Value	Notes
CaO	Typical	26 grams/Nm <sup>3</sup>	Value is CaO + CaCO <sub>3</sub> . CaO levels should be assumed to be high.
	Maximum	45 grams/Nm <sup>3</sup>	
K <sub>2</sub> O	Typical	0.55 grams/Nm <sup>3</sup>	
	Maximum	0.61 grams/Nm <sup>3</sup>	
Na <sub>2</sub> O	Typical	0.20 grams/Nm <sup>3</sup>	
	Maximum	0.22 grams/Nm <sup>3</sup>	
Cr <sub>2</sub> O <sub>3</sub>	Typical	0.00087 grams/Nm <sup>3</sup>	
	Maximum	0.00130 grams/Nm <sup>3</sup>	
PbO	Typical	0.00081 grams/Nm <sup>3</sup>	
	Maximum	0.00110 grams/Nm <sup>3</sup>	
As <sub>2</sub> O <sub>3</sub> (gas)	Typical	0.0034 grams/Nm <sup>3</sup>	
	Maximum	0.0047 grams/Nm <sup>3</sup>	
SiO <sub>2</sub>	Typical	8.4 grams/Nm <sup>3</sup>	
	Maximum	14.1 grams/Nm <sup>3</sup>	
Al <sub>2</sub> O <sub>3</sub>	Typical	2.0 grams/Nm <sup>3</sup>	
	Maximum	3.5 grams/Nm <sup>3</sup>	
Fe <sub>2</sub> O <sub>3</sub>	Typical	1.5 grams/Nm <sup>3</sup>	
	Maximum	2.7 grams/Nm <sup>3</sup>	
TiO <sub>2</sub>	Typical	0.11 grams/Nm <sup>3</sup>	
	Maximum	0.19 grams/Nm <sup>3</sup>	
MgO	Typical	0.50 grams/Nm <sup>3</sup>	
	Maximum	0.86 grams/Nm <sup>3</sup>	
P <sub>2</sub> O <sub>5</sub>	Typical	0.06 grams/Nm <sup>3</sup>	
	Maximum	0.11 grams/Nm <sup>3</sup>	
V <sub>2</sub> O <sub>5</sub>	Typical	0.0012 grams/Nm <sup>3</sup>	
	Maximum	0.0017 grams/Nm <sup>3</sup>	

February 18, 2004

Mr. Scott Rutherford  
Cormetech, Inc.  
5000 International Drive  
Durham, NC 27712

Subject: SCR System for St. Lawrence Cement

Dear Mr. Rutherford:

As I explained in our telephone conversations, CDM is an environmental consulting firm providing environmental assessments of St. Lawrence Cement's proposed cement plant in Greenport, NY. One of our assignments is to assess whether or not the air pollution control (APC) systems for the proposed cement plant meet present day APC laws and regulations. Since the project is located in the Northeast Ozone Transport Region, nitrogen oxide (NO<sub>x</sub>) and volatile organic compounds (VOCs) are subject to Lowest Achievable Emission Rate (LAER) control technology. Therefore, we are most interested in the feasibility of applying selective catalytic reduction (SCR) control to the proposed cement plant.

We have developed a list of SCR system performance guarantees which are contained in Appendix 1. Appendix 2 contains process data on the proposed cement plant in Greenport, NY. To assist us in evaluating the suitability of applying SCR technology to the proposed cement plant, could you please answer the following questions.

1. Can Cormetech guarantee that your SCR system if installed on the proposed St. Lawrence Cement plant in Greenport, NY will meet the performance guarantees as stated in Appendix 1? If there are any performance guarantees which you would have to take exception to, please indicate these. Process data on the proposed cement plant is included in Appendix 2, Cement Manufacturing Plant - Process Data.
2. One of the problems with applying SCR to this project is the temperature of the preheater tower exhaust gas, minimum of 300°C (572° F), which is slightly lower than the desired minimum inlet temperature of 315°C (600° F) to 325°C (617° F). One of the possible solutions to this problem is to install a bypass duct around the last preheater cyclone. See attached Figure 1 showing kiln, preheater cyclones, proposed cyclone bypass duct and nominal design temperatures through the process. Assuming that the preheater tower exhaust temperature from the last preheater tower is at the minimum

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Mr. Scott Rutherford

February 18, 2004

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572° F and its temperature needs to be raised to 617° F, only 5% of the 932° F gas stream going into the last cyclone would have to be bypassed to achieve the desired 617° F going into the SCR system. Note that similar types of economizer bypasses are commonly used on utility boiler SCR systems. Does this sound like a reasonable way to address the temperature problem? Do you see any technical flaws in it? Assuming such a cyclone bypass duct could be installed on the proposed cement plant, could Cormetech agree to providing the performance guarantees stated above?

3. Lastly, we are most interested in hearing about the SCR testing and experience at other plants, particularly those firing high dust, high sulfur fuels such as Power River Basin (PRB) coal. I have found some interesting articles on PRB coal SCR systems on your website. Are there any recent data from these plants which you can share with us. We would like to know about: sulfur and SO<sub>2</sub> concentrations in the limestone and preheater exhaust gas, concentrations of alkalis (Na, K) and other detrimental elements (arsenic, lead, phosphorus) in the raw feed and in the particulate matter at the SCR inlet, SO<sub>2</sub> oxidation levels, any formation of CaSO<sub>4</sub>, any plugging or fouling problems, NO<sub>2</sub> reduction, NH<sub>3</sub> slip levels, type of catalyst, temperatures at inlet and outlet of SCR system, type of soot blowers and frequency used, dust loading to the SCR system, composition of the dust and measurements of catalyst deactivation or expected life.

We greatly appreciate your assistance on this important project. If you have any questions or concerns, please do not hesitate to call me at 617-452-6239. If you could respond to us by March 3, 2004 that would be most appreciated. Thank you.

Very truly yours,

Frank Sapienza  
Principle Engineer  
Camp Dresser & McKee Inc.

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## APPENDIX 1

### Performance Guarantees for SCR System

#### 1. NO<sub>x</sub> Reduction Efficiency

The SCR system shall achieve a minimum of 85% NO<sub>x</sub> reduction efficiency when the proposed cement manufacturing plant (specifically the kiln, precalciner and preheater) is operating at stable, continuous conditions. Stable continuous conditions are defined as operation of the plant such that the preheater tower exit gas flow rate, temperature and composition are as defined below (i.e. between the following minimum and maximum values):

	Minimum	Maximum
Flow rate in actual m <sup>3</sup> /hr	600,000	950,000
Temperature in degrees C.	300.	400.

All other preheater tower exit gas characteristics and composition shall be between the limits indicated in Table 2-2, 2-3 and 2-4 of Appendix 2. The above NO<sub>x</sub> reduction efficiency shall be maintained for the life of the catalyst. The life of the catalyst is defined in Item 6 below.

#### 2. NH<sub>3</sub> Slip

The NH<sub>3</sub> slip from the SCR reactor shall not exceed 2 ppmvd at 3% oxygen when the cement manufacturing plant is operating at stable, continuous conditions. The ammonia slip emission limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 3. SO<sub>2</sub> Oxidation

The fraction of SO<sub>2</sub> that is oxidized to form SO<sub>3</sub> in the SCR reactor shall not exceed 1.0 mole % while the cement manufacturing plant is operating at stable, continuous conditions. The SO<sub>2</sub> oxidation limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 4. Gas-Side Pressure Loss Requirements

The flange-to-flange gas side pressure loss across the SCR system shall not exceed 6 inches water column when the cement manufacturing plant is operating at stable,



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February 18, 2004

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continuous conditions. The gas side pressure loss must be maintained for the life of the catalyst which is defined in Item 6 below.

## **5. Turndown Requirements**

The SCR system must be capable of maintaining all performance requirements listed in this Appendix when the preheater tower exit gas has a flow, temperature and characteristics within the ranges defined in Item 1 above.

## **6. Catalyst Life**

The average catalyst life shall be a minimum of 24,000 hours of operating time. Operating time includes only that time during which  $\text{NH}_3$  is injected into the preheater tower exhaust gas upstream of the SCR reactor. Average catalyst life refers to the average length of time catalyst is installed in the reactor before it is removed and replaced.

## **7. SCR Availability Requirement**

The SCR system shall be available at least 98% of the time that the cement manufacturing plant is operated at stable, continuous conditions, and also provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the SCR supplier's Operations and Maintenance Manuals.

## **8. Failure to Meet Performance Guarantees**

If the SCR system fails to meet the  $\text{NO}_x$  reduction efficiency (85%) as stated in Item 1 or the  $\text{NH}_3$  slip limit stated in Item 2, then the SCR system supplier shall correct the failure by repair, modification or replacement of the SCR equipment, whole or in part. If, after a reasonable period in which the SCR supplier attempts to correct the deficiencies, the SCR system still fails to meet the above  $\text{NO}_x$  reduction and  $\text{NH}_3$  slip guarantees, then the SCR supplier shall pay the Purchaser liquidated damages. The amount of liquidated damages shall be determined by the supplier and Purchaser and shall be based on the cost to the Purchaser of excess  $\text{NO}_x$  emissions released to the atmosphere.

Test method procedures for determining  $\text{NO}_x$ ,  $\text{NH}_3$ ,  $\text{SO}_2$  and  $\text{SO}_3$  concentrations shall be US EPA Test Methods (40 CFR 60 Appendix A).

March 18, 2004

Mr. Jack Wagner  
Argillon Inc.  
1345 Ridgeland Parkway  
Suite 116  
Alpharetta, Georgia 30004

Subject: Proposed SCR System for St. Lawrence Cement

Dear Mr. Wagner:

As I explained in our telephone conversation, CDM is an environmental consulting firm providing environmental assessments of St. Lawrence Cement's proposed cement plant in Greenport, NY. One of our assignments is to assess whether or not the air pollution control (APC) systems for the proposed cement plant meet present day APC laws and regulations. Since the project is located in the Northeast Ozone Transport Region, nitrogen oxide (NO<sub>x</sub>) and volatile organic compounds (VOCs) are subject to Lowest Achievable Emission Rate (LAER) control technology. Therefore, we are most interested in the feasibility of applying selective catalytic reduction (SCR) control to the proposed cement plant.

We have developed a list of SCR system performance guarantees which are contained in Appendix 1. Appendix 2 contains process data on the proposed cement plant in Greenport, NY. To assist us in evaluating the suitability of applying SCR technology to the proposed cement plant, could you please answer the following questions.

1. Can Argillon Inc. guarantee that their SCR system if installed on the proposed St. Lawrence Cement plant in Greenport, NY will meet the performance guarantees stated in Appendix 1? If there are any performance guarantees which you would have to take exception to, please indicate these. Process data on the proposed cement plant is included in Appendix 2, Cement Manufacturing Plant - Process Data.
2. One of the problems with applying SCR to this project is the temperature of the preheater tower exhaust gas, minimum of 300°C (572° F), which is slightly lower than the desired minimum inlet temperature of 315°C (600° F) to 325°C (617° F). One of the possible solutions to this problem is to install a bypass duct around the last preheater cyclone. See attached Figure 1 showing kiln, preheater cyclones, proposed cyclone bypass duct and nominal design temperatures through the process. Assuming that the

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Mr. Jack Wagner

March 18, 2004

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preheater tower exhaust temperature from the last preheater tower is at the minimum 572° F and its temperature needs to be raised to 617° F, only 5% of the 932° F gas stream going into the last cyclone would have to be bypassed to achieve the desired 617° F going into the SCR system. Note that similar types of economizer bypasses are commonly used on utility boiler SCR systems. Does this sound like a reasonable way to address the temperature problem? Do you see any technical flaws in it? Assuming such a cyclone bypass duct could be installed on the proposed cement plant, could Argillon Inc. agree to providing the performance guarantees stated above?

3. Lastly, we are most interested in hearing about SCR testing and experience at other plants, particularly those firing high dust, high calcium fuels such as Powder River Basin (PRB) coal. I found the following article through a web search, "*SCR Catalyst Design Issues and Operating Experience: Coals with High Arsenic Concentrations and Coals from Powder River Basin*" which was authored by Siemens technical experts. Is there any more recent experience or data available on the SCR systems at PRB coal boilers? Has any more work been done as part of the PRB Test Program which is mentioned in the article?

We greatly appreciate your assistance on this important project. If you have any questions or concerns, please do not hesitate to call me at 617-452-6239. I hate to rush you, but unfortunately we need a response by March 23, 2004. If only a partial response is possible that would be appreciated. Thank you.

Very truly yours,

Frank Sapienza  
Principle Engineer  
Camp Dresser & McKee Inc.

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## APPENDIX 1

### Performance Guarantees for SCR System

#### 1. NO<sub>x</sub> Reduction Efficiency

The SCR system shall achieve a minimum of 85% NO<sub>x</sub> reduction efficiency when the proposed cement manufacturing plant (specifically the kiln, precalciner and preheater) is operating at stable, continuous conditions. Stable continuous conditions are defined as operation of the plant such that the preheater tower exit gas flow rate, temperature and composition are as defined below (i.e. between the following minimum and maximum values):

	Minimum	Maximum
Flow rate in actual m <sup>3</sup> /hr	600,000	950,000
Temperature in degrees C.	300.	400.

All other preheater tower exit gas characteristics and composition shall be between the limits indicated in Table 2-2, 2-3 and 2-4 of Appendix 2. The above NO<sub>x</sub> reduction efficiency shall be maintained for the life of the catalyst. The life of the catalyst is defined in Item 6 below.

#### 2. NH<sub>3</sub> Slip

The NH<sub>3</sub> slip from the SCR reactor shall not exceed 2 ppmvd at 3% oxygen when the cement manufacturing plant is operating at stable, continuous conditions. The ammonia slip emission limit must be maintained for the life of the catalyst which is defined in Item 6 below.

#### 3. SO<sub>2</sub> Oxidation

The fraction of SO<sub>2</sub> that is oxidized to form SO<sub>3</sub> in the SCR reactor shall not exceed 1.0 mole % while the cement manufacturing plant is operating at stable, continuous conditions. The SO<sub>2</sub> oxidation limit must be maintained for the life of the catalyst which is defined in Item 6 below.

Mr. Jack Wagner

March 18, 2004

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#### **4. Gas-Side Pressure Loss Requirements**

The flange-to-flange gas side pressure loss across the SCR system shall not exceed 6 inches water column when the cement manufacturing plant is operating at stable, continuous conditions. The gas side pressure loss must be maintained for the life of the catalyst which is defined in Item 6 below.

#### **5. Turndown Requirements**

The SCR system must be capable of maintaining all performance requirements listed in this Appendix when the preheater tower exit gas has a flow, temperature and characteristics within the ranges defined in Item 1 above.

#### **6. Catalyst Life**

The average catalyst life shall be a minimum of 24,000 hours of operating time. Operating time includes only that time during which  $\text{NH}_3$  is injected into the preheater tower exhaust gas upstream of the SCR reactor. Average catalyst life refers to the average length of time catalyst is installed in the reactor before it is removed and replaced.

#### **7. SCR Availability Requirement**

The SCR system shall be available at least 98% of the time that the cement manufacturing plant is operated at stable, continuous conditions, and also provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the SCR supplier's Operations and Maintenance Manuals.

#### **8. Failure to Meet Performance Guarantees**

If the SCR system fails to meet the  $\text{NO}_x$  reduction efficiency (85%) as stated in Item 1 or the  $\text{NH}_3$  slip limit stated in Item 2, then the SCR system supplier shall correct the failure by repair, modification or replacement of the SCR equipment, whole or in part. If, after a reasonable period in which the SCR supplier attempts to correct the deficiencies, the SCR system still fails to meet the above  $\text{NO}_x$  reduction and  $\text{NH}_3$  slip guarantees, then the SCR supplier shall pay the Purchaser liquidated damages. The amount of liquidated damages shall be determined by the supplier and Purchaser and shall be based on the cost to the Purchaser of excess  $\text{NO}_x$  emissions released to the atmosphere.

Test method procedures for determining  $\text{NO}_x$ ,  $\text{NH}_3$ ,  $\text{SO}_2$  and  $\text{SO}_3$  concentrations shall be US EPA Test Methods (40 CFR 60 Appendix A).

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# EXHIBIT B







## KWH Catalysts, Inc.

February 27, 2004

Camp Dresser & McKee Inc.  
One Cambridge Place  
50 Hampshire Street  
Cambridge, MA 02139

Attention: Frank Sapienza  
Principle Engineer

Subject: SCR System for St. Lawrence Cement  
KWH Catalysts, Inc. Response to Revisions to the Specification

Dear Mr. Sapienza:

The following is response to your questions concerning the proposed CDM revisions to the St. Lawrence Cement Greenport SCR bid specification.

1. Can KWH Catalysts, Inc. guarantee that its proposed SCR system for St. Lawrence Cement will meet the performance guarantees as stated in Appendix 1?

### NO<sub>x</sub> Reduction Efficiency

KWH can meet the performance guarantee of a minimum 85% NO<sub>x</sub> reduction. However, the minimum temperature to the SCR must be 315 C versus the specified 300 C to avoid salt formation. The temperature at which ammonium salts will begin to form is really not a debatable issue. With ammonia present and the concentration of SO<sub>3</sub> and NO<sub>x</sub> known, salts will begin to form at a temperature dependent on the moisture content of the process gas. This is well known chemistry and easily calculated.

### NH<sub>3</sub> Slip

KWH can meet the performance guarantee requirement of not to exceed 2 ppmvd at 3% O<sub>2</sub>.

### SO<sub>2</sub> Oxidation

The requirement of SO<sub>2</sub>/SO<sub>3</sub> conversion of less than 1% by mole is the now typical requirement in specifications for coal-fired U.S. utility boilers since potential carry-over of SO<sub>3</sub> downstream can result in an acid plume out the stack. This criteria should not be applied to a cement process gas stream. The SO<sub>3</sub> generated in the

KWH Catalysts, Inc. • 435 Devon Park Drive • 400 Building • Wayne, PA 19087  
Phone: (610) - 293 2507(2508) • Fax: (610) - 254 9617  
[www.kwhcatalysts.com](http://www.kwhcatalysts.com)



## KWH Catalysts, Inc.

process is captured by the large amount of free lime as CaO in the gas stream. SO<sub>2</sub> oxidation by the catalyst will have no negative impact on the amount of SO<sub>3</sub> formed and subsequently captured. As an added point, there is no field test method that can measure this anyway since the SO<sub>3</sub> gas is totally captured by conversion to particulate calcium sulfates and sulfites as it is contacted by the free lime upstream, within, and downstream of the SCR catalyst.

### Gas-Side Pressure Loss

KWH can meet the performance guarantee requirement of not to exceed 6" W.G. across the flange-to-flange SCR system.

### Turndown Requirements

KWH will maintain all performance requirements listed in the Appendix with the exception of SO<sub>2</sub> oxidation (as explained above) within the ranges of flow and characteristics defined in Item 1 of your letter. However the minimum temperature must be 315 C versus the specified 300 C.

### Catalyst Life

Common practice for SCR catalyst is 16,000 hours and KWH would guarantee this catalyst lifetime. The Solnhofen SCR has operated successfully for over 24,000 hours. In three weeks KWH will be removing catalyst test elements from the Solnhofen reactor and conducting laboratory bench reactor tests to determine catalyst deactivation. KWH stated in its bid to St. Lawrence that it expected a 24,000 hour catalyst life. KWH would be willing to provide a 24,000 hour life guarantee but this commitment would be depend on the results of these bench reactor catalyst tests. KWH will update you on this issue when the bench reactor catalyst test results become available. A condition for the catalyst life guarantee and the following Availability guarantee is that the SCR system be equipped with a 100% bypass. This will protect the catalyst against plant upset conditions such as very low gas flow that would plug the catalyst quickly or moisture conditions at acid or water dewpoints that would form cement at the catalyst face and in the catalyst channels effectively ending the life of the catalyst. This is not an unreasonable condition as this is common practice for some pollution control equipment that are sensitive to specific plant upset conditions. For example, a bypass is commonly used for baghouses to prevent high temperature excursions from destroying the filter bags or boiler tube leaks causing permanent bag blinding.

### SCR Availability

KWH can guarantee SCR system availability of 98% of the time that the cement plant is operated at stable, continuous conditions as defined in the specification for the performance guarantee criteria and provided that the SCR system is maintained and operated in accordance with the procedures and instructions stated in the KWH Operations and Maintenance Manual. Additional conditions for the availability



## KWH Catalysts, Inc.

guarantee are that KWH will have access to the SCR system during plant outages and forced shut-downs to conduct inspections and maintenance of the SCR system and that the SCR system is equipped with a 100% bypass as described previously.

### Failure to Meet Performance Guarantees

KWH takes exception to the open-ended liquidated damages requirement as stated. The Industry standard for pollution control systems, be they FGD scrubbers, bag-houses, SCRs and precipitators is typically worded as follows: "The cumulative maximum liability of Vendor with respect to all claims and costs arising out of or incurred in connection with this contract or arising out of the performance or non-performance of the supplied scope of work, whether based on contract, warranty, tort, strict liability or otherwise, shall not exceed in the aggregate an amount equal to one hundred (100%) percent of the Contract Price paid to Vendor".

### 2. Maintaining the Minimum Temperature

The inclusion, as you propose, of a bypass duct around the last preheater cyclone as a method to maintain the preheater tower exhaust gas above the minimum required temperature of 315 C, appears to be a reasonable method to address the minimum temperature issue.

### 3. Solnhofen Plant Data

KWH had a very informative meeting at the Solnhofen Plant on February 25. The SCR has been operating for over 24,000 hours and maintaining the German regulation requirement of not to exceed 500 mg/m<sup>3</sup> of NOx. The SCR is only equipped with 3 of a possible 5 layers to meet the 500 mg limit. Provision was included in the SCR design to achieve potential future limit of 200 mg. The 500 mg requirement is being achieved with an average NOx inlet of 2500 mg.

During the KWH meeting, Mr. Gerd Sauter, Plant Manager, stated that, if CDM wishes to obtain detailed SCR performance data and process exhaust gas and particulate/raw feed data, he would be pleased to provide this information with a confidentiality agreement in place. He invited CDM to visit the plant if they wish.

As a final comment, note that SCR technology has been applied for several decades to a diverse number of applications worldwide. KWH, in particular, has successfully applied its catalyst technology to such applications as coal-fired boilers, oil and gas fired boilers, municipal waste and sewage sludge incinerators, diesel/gas cogen plants, chemical plants, refineries, glass plants, biomass incinerators, and steel sinter plants. These applications span an extreme range of process gas/dust conditions and operating conditions. SCR catalyst is a mature, proven technology that can be adapted in its design formulation and configuration (i.e. pitch, length, etc.) to a wide range of applications as has been shown with the new application on cement at Solnhofen.



**KWH Catalysts, Inc.**

Should you have questions or require additional information, please contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Tom Lugar".

Tom Lugar  
Chief Executive Officer  
KWH Catalysts, Inc.



**Power Environment**

Environmental Control Systems

Mr. Frank Sapienza  
Camp Dresser & McKee, Inc.  
One Cambridge Place  
50 Hampshire Street  
Cambridge, MA 02139

2/23/2004

Your Ref: Your Letter Dated February 6, 2004  
Our Ref: St. Lawrence Cement - Greenport SCR Project

Mr. Frank Sapienza,

We are in receipt of your letter dated February 6 wherein you offer comment to the St. Lawrence Cement project.

Although your interest in this project is understood, and your suggestions noteworthy, ALSTOM is not in a position to formally respond to questions from a party who is not contracted directly with, or an agent of, St. Lawrence Cement (SLC). Should the project proceed with SCR, questions and answers should be directed through SLC to ALSTOM, and back through the same path. As a global, full-service consulting, engineering, construction, and operations firm, we expect CDM will agree this is proper protocol leading to potential capital equipment procurement.

With regard to the Italcementi testing that had been performed, the specific details of that program are confidential in nature and cannot be divulged without the consent of Italcementi.

Thank you for contacting ALSTOM Power. If we can offer any further information or assistance, please let us know.

Sincerely,  
**ALSTOM Power**

Noel Kuck  
Product Manager

Sapienza, Frank

---

From: Howard Franklin [howard.franklin@hal.hitachi.com]  
Sent: Tuesday, March 23, 2004 8:37 AM  
To: Sapienza, Frank  
Subject: Re: SCR for Cement Plant

Frank,

I received the email below from Japan. It appears that your conditions are too challenging

Regards,

Howard

Howard-san,

It is quite difficult to apply the SCR system for this cement plant because:

- 1) Very high dust loading (Normal 60g/Nm<sup>3</sup>, Max. 100g/Nm<sup>3</sup>). It is 3 times of our worst case experience. It is very difficult to predict the erosion and dust plugging even if sootblowers are installed
- 2) CaO amount: CaO loading is 15-30 times of PRB application. So, the masking is an extremely large and unpredictable problem. We anticipate that the catalyst will deteriorate very quickly. It is not possible to evaluate the catalyst life and offer any guarantees.

The customer requires the very high performance and long life (24000 hours). It is not possible for us to economically design the SCR and offer any guarantees.

Best regards

T. Ogasahara

"Sapienza, Frank" wrote:

Dear Mr. Franklin: It was good talking with you the other day. The attached letter explains our interest in applying SCR technology to cement manufacturing plants. If you have any questions, please call me at 617-452-6239. Thank you for your assistance. Very truly yours, Frank  
Sapienza Principle Engineer CDM Inc.

# EXHIBIT C





**TABLE 1**  
**Comparison of Greenport Plant With Coal-Fired Power Plants**

Flue Gas Design Parameters at Outlet of Preheater Tower	Greenport, NY	Coal Fired Power Plants With SCR Systems		
		Somerset, NJ High Dust, High Sulfur	Carolina P&L Low Dust Low Sulfur	Kansas City P&L High Dust, Low Sulfur, PRB Coal
Gas Flow Rate in Nm <sup>3</sup> /hr				
- Typical	381,000	2,300,000	2,700,000	8,860,000
- Maximum	419,000			
Gas Temperature at SCR Inlet				
- Typical (°C)	320 °C	343 °C	391°C	368 °C
Dust Loading in grams/Nm				
- Typical	60	11.5	0.10 <sup>2</sup>	32.7
- Maximum	100			
SO <sub>2</sub> in ppmv				
- Typical	600	1140-3490	323-1213 <sup>3</sup>	420
- Maximum	750			
SO <sub>3</sub> in ppmv				
- Typical	5	8.6 <sup>1</sup>	2.4 - 8.8 <sup>1</sup>	3.2 <sup>1</sup>
- Maximum	7	26 <sup>1</sup>		
NOx in ppmv				
- Typical	600	340	278	135
- Maximum	1400			
CaO in PM in grams/Nm <sup>3</sup>				
- Typical	26	0.48	ND <sup>4</sup>	7.4
- Maximum	45		0.01	9
Na <sub>2</sub> O in PM in grams/Nm <sup>3</sup>				
- Typical	0.20	0.061	ND	0.46
- Maximum	0.22		0.004	0.78
K <sub>2</sub> O in PM as grams/Nm <sup>3</sup>				
- Typical	0.55	0.16	ND	0.10
- Maximum	0.61		0.003	0.20
As <sub>2</sub> O <sub>3</sub> gas in grams/Nm <sup>3</sup>				
- Typical	0.0034	0.008	ND	0
- Maximum	0.0047	0.012	0.021	
P <sub>2</sub> O <sub>5</sub> in PM in grams/Nm <sup>3</sup>				
- Typical	0.06	0.032	ND	0.56
- Maximum	0.11		0.0006	0.78
In Commercial Operation Since		July-99	July-01	May-01
<u>Design Parameters</u>				
Outlet NOx in ppm		34	58.5	59.2
NOx removal efficiency		90%	79%	55-60%
NH <sub>3</sub> Slip		3 ppm	2 ppm	2 ppm
SO <sub>2</sub> Oxidation		< 0.75%	< 1.0 %	< 0.75 %
Catalyst Life		24,000 hrs	24,000 hrs	24,000 hrs
Achieving all Design Parameters to Date?		Yes	Yes	Yes

Notes:

<sup>1</sup> Estimate based on 0.75 % SO<sub>2</sub> oxidation

<sup>2</sup> SCR is installed downstream of ESP

<sup>3</sup> Calculated value based on sulfur in fuel (1.5%)

<sup>4</sup> ND abbreviation for No Data



# EXHIBIT D



# FGD and DeNO<sub>x</sub> NEWSLETTER

January 2004  
No. 309

## Low NO<sub>x</sub> Levels (0.04 lbs/MMBtu) Now Being Obtained

Nineteen coal-fired power plants in the United States achieved NO<sub>x</sub> emission levels of 0.06 lbs/MMBtu or lower in the third quarter 2003. Six plants achieved 0.04 lbs/MMBtu. Seven plants achieved 0.05 lbs/MMBtu and six plants averaged 0.06 lbs/MMBtu. See Figure 4 for the lowest emitters. All were retrofit with SCR.

FIGURE 4 – LOWEST NO<sub>x</sub> EMITTING POWER PLANTS – U.S.  
3RD QUARTER 2003

Utility Name	Plant Name	Unit No.	NO <sub>x</sub> lbs/MMBtu
PP&L Inc.	Montour	2	0.04
Reliant Energy	Keystone	1	0.04
Reliant Energy	W A Parish	WAP6	0.04
PP&L Inc.	Montour	1	0.04
Reliant Energy	Keystone	2	0.04
Consumers Energy Co.	Dan E Kam	2	0.04
Reliant Energy	Cheswick	1	0.05
Reliant Energy	W A Parish	WAP5	0.05
Georgia Power Co.	Wansley (6052)	2	0.05
Georgia Power Co.	Wansley (6052)	1	0.05
Georgia Power Co.	Bowen	1BLR	0.05
Georgia Power Co.	Bowen	4BLR	0.05
Georgia Power Co.	Hammond	4	0.05
Georgia Power Co.	Bowen	2BLR	0.06
Georgia Power Co.	Bowen	3BLR	0.06
American Electric Power	Mountaineer (1301)	1	0.06
Chergy	East Bend	2	0.06
Alabama Power Co.	James H Miller Jr.	4	0.06
Alabama Power Co.	James H Miller Jr.	3	0.06

Third quarter data 2003 for all plants is posted in McIlvaine's Utility Environmental Upgrade Tracking System. Tables with both lowest and highest emitters are also displayed. The top eight emitters are shown in Figure 5.

FIGURE 5 – HIGHEST NO<sub>x</sub> EMITTING POWER PLANTS – U.S.  
3RD QUARTER 2003

Utility Name	Plant Name	Unit No.	NO <sub>x</sub> lbs/MMBtu
Associated Electric Coop.	New Madrid	2	1.21
Tampa Electric Co.	F J Gannon	GB03	1.16
Kansas City Power & Light Co.	La Cygne	1	1.00
Xcel Energy	Riverside (1927)	8	0.97
Allegheny Energy Supply Co.	Willow Island Power	2	0.97
Mid American	George Neal North	1	0.96

Cinergy	Walter C Beckjord	3	0.96
Associated Electric Coop.	Thomas Hill	MB1	0.94

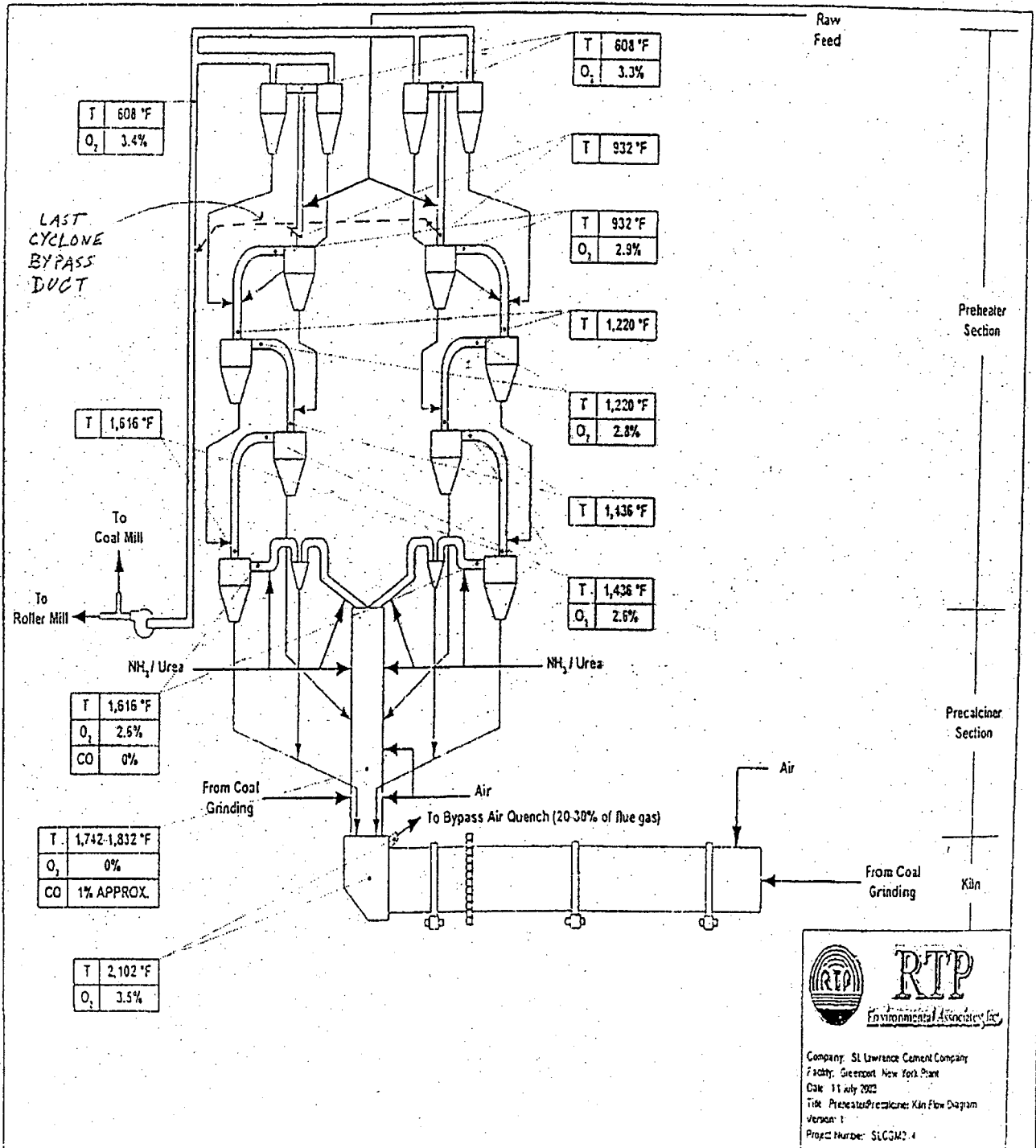
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# EXHIBIT E





Figure 1  
Schematic of Greenport Preheater/Precalciner Section Showing Nominal Temperatures



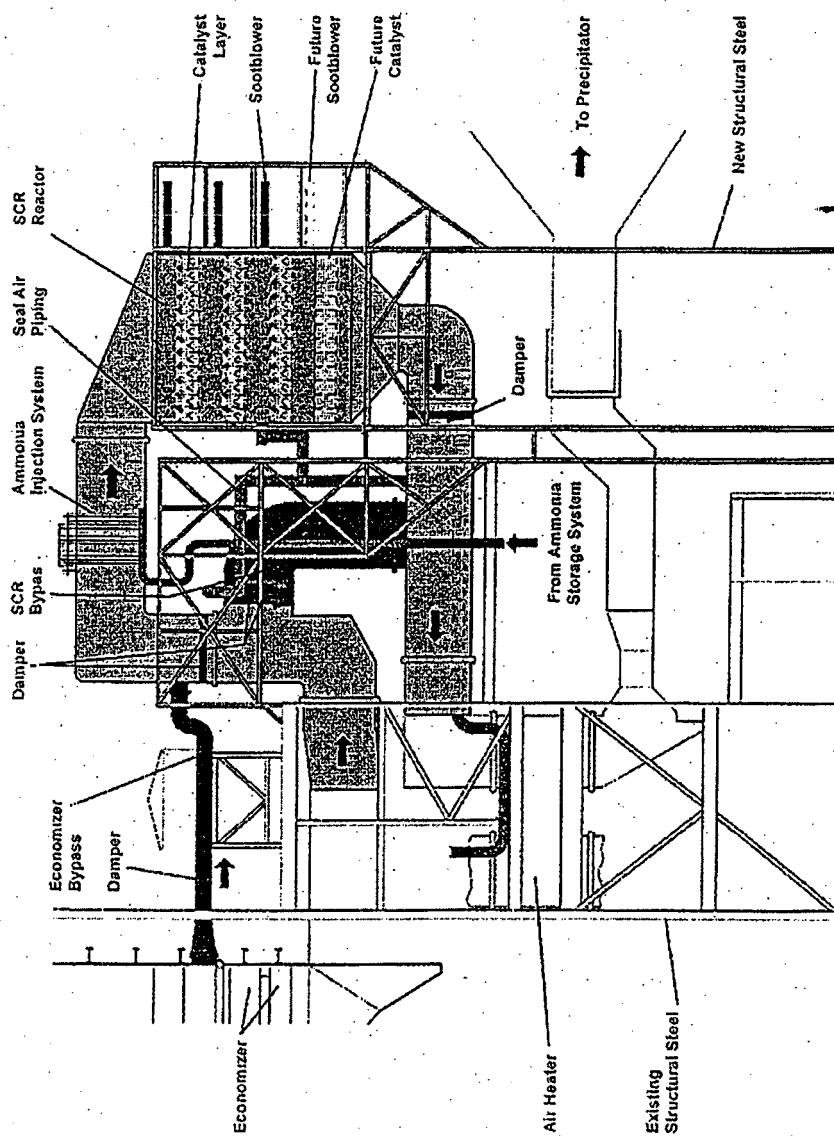


Figure Sectional View of SCR System With Economizer Bypass Duct -  
AES Owned 675 MW Power Plant in Somerset, NY

# EXHIBIT F

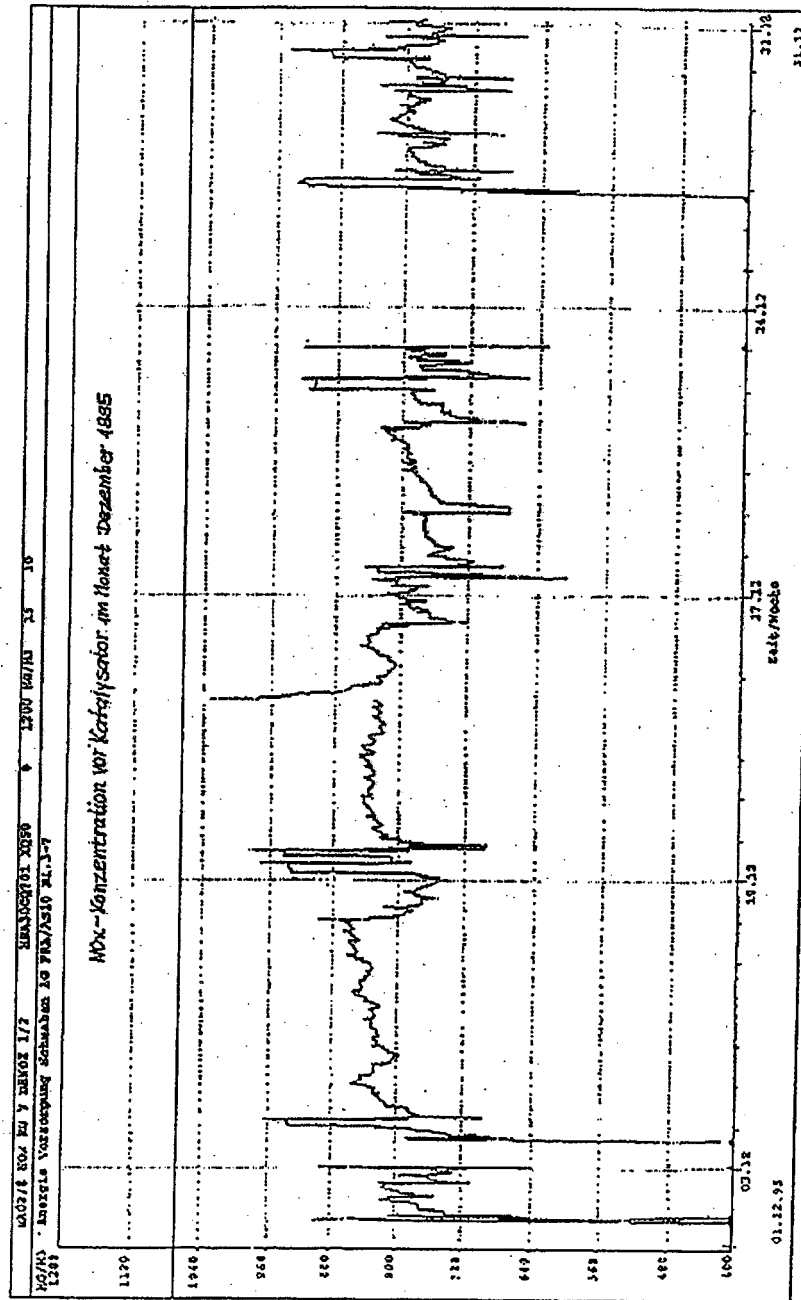


Figure

# Pre-SCR NO<sub>x</sub> Levels (December 1995)

Data from German 700 MW Power Plant

mg/m<sup>3</sup>



Lb. of NO<sub>x</sub>/Million Btu

